

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML-46542	6. SURFACE: State
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Royale Energy, INC		8. UNIT or CA AGREEMENT NAME: Moon Canyon	
3. ADDRESS OF OPERATOR: 7676 Hazard Center Dr CITY San Diego STATE CA ZIP 92108		9. WELL NAME and NUMBER: Ten Mile Canyon 22-1	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1893' FSL 830' FEL 622094X 39.399291 AT PROPOSED PRODUCING ZONE: Same 4361838Y -109.582060		10. FIELD AND POOL, OR WILDCAT: Wildcat Undesignated	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 65 Northwest of Fruita, CO		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 830 ft		12. COUNTY: Grand	13. STATE: UTAH
16. NUMBER OF ACRES IN LEASE: 1640		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA		20. BOND DESCRIPTION: Statewide Bond #291395	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7879 ft. GR		22. APPROXIMATE DATE WORK WILL START: 6/1/2007	
		23. ESTIMATED DURATION: 30 days	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	9-5/8 K-55 36#	2,000	Class "G" 1200 sx 1.17 15.8 ppg
8-3/4"	7 N-80 23#	6,500	50/50 POZ 875 sx 1.26 14.2 ppg
6-1/4"	4-1/2 P-110 11.60#	11,500	50/50/ POZ 518 sx 1.26 14.2 ppg

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Eric Noblitt

TITLE Agent

SIGNATURE

DATE 1/28/2007

(This space for State use only)

API NUMBER ASSIGNED:

43-019-31526

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:

Date:

04-18-07

By: (See Instructions on Reverse Side)

RECEIVED
JAN 31 2007

DIV. OF OIL, GAS & MINING

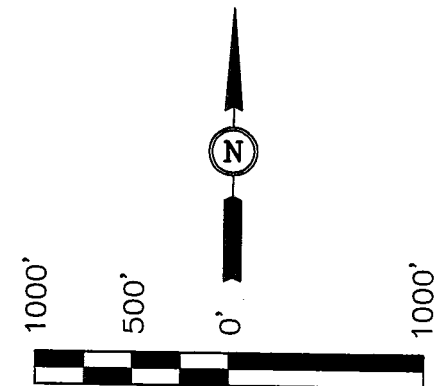
T16S, R21E, S.L.B.&M.

ROYALE ENERGY, INC.

Well Location, TEN MILE CANYON #22-1, located as shown in the NE 1/4 SE 1/4 of Section 22, T16S, R21E, S.L.B.&M. Grand County, Utah.

BASIS OF ELEVATION

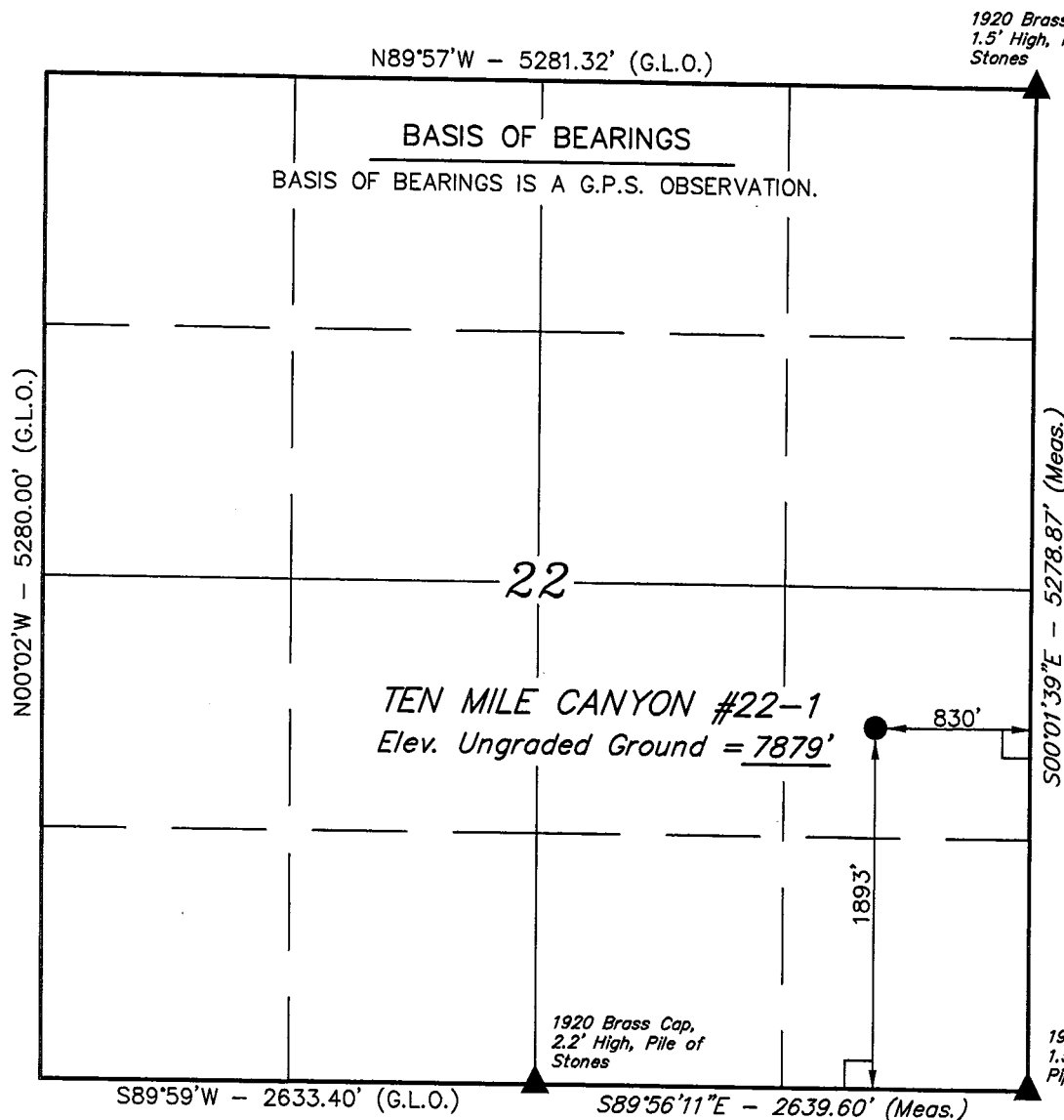
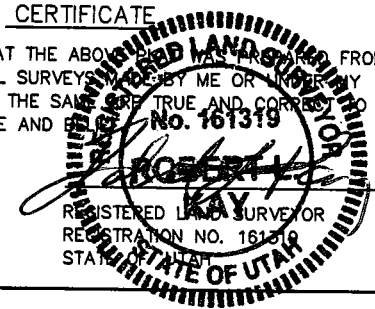
SPOT ELEVATION AT AN OIL WELL LOCATED IN THE NE 1/4 OF SECTION 15, T16S, R21E, S.L.B.&M. TAKEN FROM THE TENMILE CANYON NORTH QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7620 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE SURVEY WAS MADE FROM FIELD NOTES OF ACTUAL SURVEYS BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 39°23'57.39" (39.399275)
 LONGITUDE = 109°34'58.16" (109.582822)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°23'57.51" (39.399308)
 LONGITUDE = 109°34'55.69" (109.582136)

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-20-06	DATE DRAWN: 12-05-06
PARTY J.R. R.P. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROYAL ENERGY, INC.	

ROYALE ENERGY, INC.

Lease # ML-46542

Moon Canyon Unit

Ten Mile Canyon 22-1

NE/4SE/4; Section 22, Township 16 South, Range 21 East, SLM
Grand County, Utah

Surface Use & Operations Plan

Ownership

Surface & Minerals:

State of Utah
School Trust Lands
675 E. 500 S.
Salt Lake City, UT 84102
(801) 538-5100

1. EXISTING ROADS – Refer to Exhibit Topo Maps “A” and “B”.
 - A. The wellsite has been surveyed to memorialize the proposed well pad (see Location Layout Plat)
 - B. To reach the proposed location from the UT/CO state line proceed East on Interstate 70 approximately 4.6 miles to the Westwater exit; proceed north .3 mile, turn right and go East 2.2 miles to Hay Canyon & East Canyon road (At National Fuel sign) turn left, proceed Northwest 12.6 miles to Hay Canyon road, turn left and travel up Hay Canyon 13.8 miles to Divide road. Turn left. Heading west, travel 9.3 miles to Moon Ridge sign. Turn right. Proceed 7.7 miles to proposed new access road. Travel Northeasterly 0.1 miles on proposed access road to Ten Mile Canyon #22-1 location.
 - C. Access roads refer to Exhibit Topo Maps “A” and “B”.
 - D. Access roads within a one (1) mile radius, none – refer to Exhibit Topo Maps “A” and “B”.
 - E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operation and said maintenance will continue until final abandonment and reclamation of said well location.

2. PROPOSED ACCESS ROAD – Refer to Map Exhibits “A” & “B”

Access to the location will be on Grand County maintained roads until you turn Northeast (right) off the County road in the SE ¼, Section 22-T 16S-21E. The proposed new access road will be 0.1 mile in length crossing BLM and State lands to Ten Mile Canyon #22-1 location.

- A. Width – This new access road will be built with a twenty (20) foot running surface.
- B. Construction Standard – Any road improvements will be conducted in accordance and with consultation with the appropriate governing authority.
- C. Maximum grade – The maximum grade is under 8%.
- D. Turnouts – No turnouts exist on the existing road any new turnouts will be consultation of the appropriate governing authority.
- E. Drainage design – The existing road shall be maintained to provide proper drainage along the road.
- F. Culverts and low water crossings – Culverts(if needed) sizes will be determined by anticipated runoff.
- G. Surface material – It is anticipated that no additional surface material will be required for drilling and production operations. Should spot graveling be required during drilling operations, gravel would be obtained from the nearest commercial site.
- H. Gates, cattleguards or fence cuts: No Fence cuts or cattleguards will be required along the proposed existing/new route. All gates will be maintained during operations.
- I. Road maintenance – During both the drilling and production phase of operations, the road surface will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards. The access road will be kept free and clear of trash during all operations.

3. LOCATION OF EXISTING WELL WITHIN A ONE-MILE RADIUS

- | | | |
|----|-----------------------------|--|
| A. | Water wells | none |
| B. | Abandoned wells | Moon Ridge Unit #22-22
SENW Sec.22-16S-R21E |
| C. | Temporarily abandoned wells | none |
| D. | Disposal wells | none |
| E. | Proposed wells | none |
| F. | Shut-in wells | none |
| G. | Producing | none |

4. LOCATION OF PROPOSED FACILITIES

- A. All production facilities will be located on the disturbed portion of the well pad and at a minimum from of twenty-five (25) feet from the toe of the back slope or top of the fill slope.
- B. Production facilities will be located on the drillsite location. A diagram showing the proposed production facility layout will be submitted to the Division via Sundry Notice (Form # 9) will be submitted upon completion and installation of facilities.
- C. An existing pipeline for gas gathering is in place in SE ¼ of Sec. 22-T16S-R21E. If the subject well is commercial a 3" welded surface line will be laid adjacent to the new access road from the Drillsite to SE ¼ of section 22 (tie-in point)
- D. All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required by OSHA may be excluded. Colors will be Juniper Black, unless otherwise advised by the governing authority.
- E. If a gas meter run is constructed, it will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream until it leaves the pad. The meter run will be housed. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of the Division and the American Gas Association (AGA) Report No. 3.
- F. If a tank battery is constructed on the lease, it will be surrounded by a berm of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurements shall conform to provisions of the Division.
- G. Production facilities on location may include a lined or unlined water pit as specified in Division rule R649-3-16. Any pit will be fenced with barbwire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
- H. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road, drill pad and any additional area specified in the approved Application for Permit to Drill (APD).
- I. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as provided for in Division rule R649-3-34.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water supply for the subject well shall come from a private source in Sec. 6, T16S-R23, owned by Bert Delambert. Water Change Application t31712 authorizes such use.
- B. No water well will be drilled.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. It is not anticipated that any construction materials (gravel) will be required during construction or operations. If required, a private contractor (or surface owner) having a previously approved source within the general area will be used.
- B. No construction material will be taken from State lands.

7. METHODS OF HANDLING WASTE MATERIALS

- A. Cuttings - The drill cuttings will be deposited in the reserve pit.
- B. Drilling fluids - All fluids including chemicals will be contained in the reserve pit. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one-half (1/2) total depth below the original ground level and at the lowest point within the pit. Pursuant to Division rule R649-3-16 & 34, prior to back-filling the reserve pit liquids will be disposed in an approved facility and the contents will be allowed to dry. The disturbed portion of the pad will be reclaimed. A 12-mil synthetic pit liner is proposed.
- C. Produced fluids - Liquid hydrocarbons that may be produced during completion operations will be placed in test tanks on the location. Produced water will be placed in the reserve pit for a period not to exceed ninety days after initial production.

Any spills of oil, gas, salt water or any other potentially hazardous substances will be cleaned up and immediately removed to an approved disposal site in accordance with Division rule R649-3-32.

- D. Sewage - Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, these toilets will be removed and the contents thereof disposed of in an approved sewage disposal facility.
- E. Garbage and other waste material - All garbage and non-flammable waste materials will be contained in a dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to an approved sanitary landfill. No trash will be placed in the reserve pit during any operations pertaining to this well.

- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No potentially adverse materials or substances will be left on location.
- G. Any open pits will be fenced during the drilling operation and said fencing will be maintained until such time as the pits have been back-filled.

8. ANCILLARY FACILITIES

None anticipated.

9. WELLSITE LAYOUT

- A. Attached hereto is a diagram showing the proposed location layout. No permanent living facilities are planned. There will be approximately four (4) trailers on location during drilling operations: one each for the wellsite supervisor, geologist/mudloggers, drilling fluids engineer and toolpusher.
- B. Topsoil will be stock piled on the West and South of the drillpad. Brush and trees will also be stock piled on the Southeast corner of pad and will be used in the site reclamation process. Erosion ditches will be created along the side of the drill pad to control runoff from the drill pad. (see location layout plat)
- C. A diagram showing the proposed production facility layout will be submitted to the Division via *Sundry Notice* (form # 9) for approval (see # 4B).
- D. Prior to commencement of drilling operations, the reserve pit will be fenced on three (3) sides with four strand barbed wire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
 - 1. Corner post shall be braced in such a manner to keep the fence tight at all times.
 - 2. Standard steel, wood or pipe post shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
 - 3. All wire shall be stretched, by using a stretching devise, before it is attached to the corner posts.
 - 4. The fourth (4th) side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is back-filled.
- E. Any Hydrocarbons on the pit will be removed immediately.
- F. Flare pit will be a minimum of 100 feet from the wellhead and 30 feet from the reserve pit when applicable. The flare pit will be on laydown side of pad.

10. PLANS FOR RECLAMATION OF THE SURFACE

Producing

- A. Any rat and mouse holes will be back-filled and compacted from top immediately upon release of the completion rig from the location. The location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.
- B. Any oil located on the pits will be removed immediately in accordance with Division rule R649-3-16 & 34.
- C. Back-filling, leveling and re-contouring are planned as soon as possible after cessation of drilling and completion operations. Waste and spoil materials will be disposed of immediately upon cessation of drilling and completion activities.

Fluids from the reserve pit shall be removed. The liner shall be torn and perforated before back-filling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within six (6) months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc., shall be removed.

Surface owner will be contacted for required seed mixture pursuant to Division rule R649-3-34.

Dry Hole/Abandoned Location

1. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the DOGM/SITLA will attach the appropriate surface rehabilitation conditions of approval.

11. OTHER INFORMATION

- A. Proximity of Water, Occupied Dwellings, Archaeologist, Historical or Cultural Sites:
 1. There are no known, occupied dwellings within one (1) mile of the location.
 2. There are no known water wells within one (1) mile of location.
 3. Royale Energy, Inc. will be responsible for informing all persons in the area who are associated with the project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for

collecting artifacts. If historic or archaeological materials are uncovered, Royale will suspend all operations that might further disturb such materials and immediately contact the State Historical Preservation Office "SHIPO".

4. A Class III cultural resource inventory of the proposed Ten Mile Canyon #22-1 location and its related 0.1 mile-long access road has been completed. The report will be filed with SHIPO and SITLA-State Office.

- B. The operator will, control noxious weeds along right-of-way for roads, pipelines, wellsites or other applicable facilities.

12. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Royale Energy, Inc.
7676 Hazard Center Drive, Suite 1500
San Diego CA 92108
Phone: (619) 881-2870
Fax (619) 881-2876
Drilling@royl.com
Attention: Lauren Hartwell

Prepared by:

Date: January 28, 2007



Eric Noblitt, Agent
2275 Logos CT. #B-1
Grand Junction, CO. 81505
Phone: (970) 245-3951
Fax: (970) 245-3951
enoblitt@bresnan.net

STATE OF UTAH -- DIVISION OF WATER RIGHTS -- DATA PRINT OUT for t31712(49-123)

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 01/26/2007 Page 1

CHANGE: t31712

WATER RIGHT: 49-123 CERT. NO.:

AMENDATORY? No

BASE WATER RIGHTS: 49-123

RIGHT EVIDENCED BY: 49-123(A8815)

CHANGES: Point of Diversion [], Place of Use [X], Nature of Use [X], Reservoir Storage [].

NAME: Burt and Christine DeLambert
ADDR: P. O. Box 607
Vernal UT 84078
INTEREST: 100% REMARKS:

FILED: 07/11/2006 PRIORITY: 07/11/2006 ADV BEGAN: ADV ENDED: NEWSPAPER: No Adv Required
ProtestEnd: PROTESTED: [No] HEARNG HLD: SE ACTION: [Approved] ActionDate: 07/17/2006 PROOF DUE:
EXTENSION: ELEC/PROOF: ELEC/PROOF: CERT/WUC: LAP, ETC: 08/01/2007 PROV LETTER:
RENOVATE: RECON REQ: TYPE: []

Status: Approved

***** HERETOFORE *****
***** HEREAFTER *****

FLOW: 0.9034 cfs	FLOW: 20.0 acre-feet
SOURCE: A Spring Branch in Main Canyon	SOURCE: Unnamed Spring
COUNTY: Uintah	COUNTY: Uintah COM DESC: Main Canyon-Book Cliffs
	Water will be pumped into trucks and hauled to place of use.

POINT(S) OF DIVERSION ----->	SAME AS HERETOFORE
Point Surface:	
(1) N 2870 ft E 16 ft from SW cor, Sec 32, T 15S, R 23E, SLBM	
Dvrtng Wks: Earth & Brush Dam	
Source:	

PLACE OF USE ----->	CHANGED as follows:												
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Sec 30 T 15S R 23E SLBM * : : * : : * : : * : : *	ALL T 15S R 23E SLBM *												
Sec 31 T 15S R 23E SLBM * :X: :X* : :X: * : : * : : *	ALL T 15S R 24E SLBM *												
	ALL T 16S R 23E SLBM *												
	ALL T 16S R 24E SLBM *												

NATURE OF USE ----->	CHANGED as follows:
SUPPLEMENTAL to Other Water Rights: No	SUPPLEMENTAL to Other Water Rights: No
IRR: 64.0400 acs Sol/Sup: acs USED 03/01 - 10/31	
	OTH: OIL EXPLORATION: drilling and USED 08/01 - 07/31
	completion of oil/gas wells in South Book Cliffs-8/1/06-7/31

ROYALE ENERGY, INC.

Lease # ML-46542

Moon Canyon Unit

Ten Mile Canyon 22-1

NE/4SE/4; Section 22, Township 16 South, Range 21 East, SLM
Grand County, Utah

January 22, 2007

DRILLING PLAN

General

NOTE: This well is to be drilled as a tight hole. Unauthorized personnel are not to be allowed on rig floor. All information is to be kept confidential.

Surface Location: 830' FEL' and 1893' FSL
NESE; Sec.22-T16S-R21E, SLM
Grand County, Utah

Bottomhole Location: Same

Proposed Total Depth: 11,500'

Elevation: 7879' Ground Level (Ungraded)

Drilling Contractor: Yet to be determined

Drilling Procedure

Location

- 1) Build location, dig and line reserve pit as per pad layout specifications. Pit will be lined with a 12mil liner.

Surface Hole

- 1) Move in and rig up air drilling rig.
- 2) Drill a 12-1/4" surface hole to 2000' with air. Notify State of Utah DOGM as to cementing of surface casing.
- 3) Circulate and condition as required. Trip out of hole.
- 4) Run and cement 2000' of 9-5/8", 36#, K-55, ST&C, 8rd casing and as per cement recommendation. If cement returns to surface are not obtained, run 1" pipe in casing/hole annulus and top out w/ neat cement. Wait 8 hrs on cement.
- 5) Weld on 11" X 5,000 PSI flanged casing head.
- 6) Rig down and move off surface hole drilling rig.

Intermediate Hole

- 1) MIRU rotary rig. Notify State of Utah DOGM as to BOP/CSG pressure test. Nipple up and pressure test BOPE and 9-5/8" casing to 70% internal yield of 9-5/8" csg.
- 2) Mud up. Trip in hole w/ 8-3/4" bit. Drill out float collar and guide shoe
- 3) Drill 8-3/4" intermediate hole from base of surface casing to 6,500' (or 200' +/- into Mancos)
- 4) Condition hole as per mud program. Run openhole logs as per logging program.
- 5) Trip in hole w/ bit and drill string. Condition hole for running pipe.
- 6) Run and cement 7" 23# N-80 production casing according to cement recommendation.
- 7) Pressure test 7" casing string to 1,500 psi for thirty (30) minutes.
- 8) Drill out 7" intermediate casing with 6-1/4" bit.
- 9) Well will be drilled to a depth of 11,500'
- 10) At T.D., condition hole for running openhole logs as per mud program.
- 11) Run openhole logs as per logging program.

Decision Point: Producidble/Dryhole

Producible

- 1) Trip in hole w/ bit and drill string. Condition hole for running pipe. Trip out of hole laying down drill- pipe and collars. Notify DOGM as to running and cementing of longstring.
- 2) Run and cement 4-1/2" production casing according to cement recommendation.

Dryhole

- 1) Notify State of Utah DOGM and receive plugging orders. Trip in hole open ended and plug well as per DOGM orders.
- 2) Release drilling rig. Reclaim location.

Estimated Tops of Geological Markers

(From Ungraded GL)

<i>Formation</i>	<i>Top</i>
Green River	Surface
Main Mancos	6,400
Dakota Silt	10,000
Dakota Sandstone	10,400
Cedar Mountain	10,500
Morrison	10,600
Entrada	11,000
TD	11,500

Estimated Depths of Anticipated Water, Oil , Gas or Mineral Formations
(From Ungraded GL)

Formation	Top	Possible Formation Content
Dakota Sandstone	10,400'	gas
Cedar Mountain	10,500'	gas
Morrison	10,600'	gas or water
Entrada	11,000'	gas or water

Pressure Control Equipment

- 1) Type: 11" X 5,000 psi WP, double-gate BOP and 11" X 5,000 psi WP annular BOP with hydraulic closing unit. *See schematic #1*

The blowout preventer will be equipped as follows:

- 1) One set of blind rams
 - 2) One set of pipe rams
 - 3) Drilling spool with two side outlet (choke side: 3" minimum and kill side 2" minimum)
 - 4) Kill line: Two-inch minimum
 - 5) Two kill line valves, one of which will be a check valve (2" minimum)
 - 6) Choke line: Three-inch minimum.
 - 7) Two choke line valves: Three-inch minimum.
 - 8) One manually operated choke: Three-inch minimum.
 - 9) Pressure gauge on choke manifold.
 - 10) Upper kelly cock with handle readily available.
 - 11) Full opening internal blowout preventer or drill pipe safety valve able to fit all connections.
 - 12) Fill-up line to be located above uppermost preventer.
- 2) PRESSURE RATING: 5,000 PSI

3) TESTING PROCEDURE

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the approved BOP stack. (if isolated from the surface casing by means of a test plug) or 70% of the internal yield strength of the surface casing (if not isolated from the surface casing by means of a test plug). Pressure will be maintained for a period of at least ten minutes or until requirements of the test are met, whichever is longer.

At a minimum, this pressure test will be performed:

- 1) When the BOP is initially installed
- 2) Whenever any seal subject to test is broken.
- 3) Following related repairs.
- 4) At thirty day intervals.

In addition to the above, the pipe rams will be activated daily, and the blind rams will be activated on each trip (but not more frequently than once each day). All BOP tests and drills will be recorded in the IADC Driller's Log (tour sheet)

5) CHOKE MANIFOLD EQUIPMENT:

All choke lines will be straight lines, unless turns use tee-blocks, or are targeted with running tees.

These lines will be anchored to prevent whip and vibration. *See schematic #1*

6) ACCUMULATOR:

The accumulator will have sufficient capacity to close all rams (plus the annular preventer, if applicable) and maintain a minimum of 200 psi above the precharge pressure without the use of the closing-unit pumps. The fluid reservoir capacity will be double the accumulator capacity and the fluid level will be maintain at the manufacturer's recommendation. The BOP system will have two independent power sources to close preventers. Nitrogen bottles (three minimum) will be considered one of these sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits of manufacturer's specifications.

7) MISCELLANEAUS INFORMATION:

The blowout preventer and related pressure-control equipment will be installed, tested, and maintained in compliance with the specifications in and requirements of DOGM's Drilling and Operating Practices #R649-3-7. The choke manifold and BOP extension rods will be located outside the rig sub-structure.

The hydraulic BOP closing unit will be located at least twenty-five feet from the wellhead, but will be readily accessible to the driller. Exact location and configuration of the hydraulic BOP closing unit will depend upon the particular drilling rig contracted to drill this hole.

Casing and Cementing Programs

PROPOSED CASING DESIGN

<i>Size</i>	<i>Interval</i>	<i>Length</i>	<i>Description</i>
9-5/8"	0' – 2,000'	2,000'	36#, K-55, STC
7"	0' – 6,500'	6,500'	23#, N-80, LTC
4-1/2"	0' - 11,500'	11,500'	11.60# P-110, LTC

A regular guide shoe and insert float will be run on the bottom and top of the first joint on casing. The guide shoe and float collar will be made up with A.P.I. thread locking compound. On 4-1/2" casing, a stop ring and centralizer will be run in the middle of the shoe joint. Centralizers will be ran 1 joint above float and across all potential pay zones.

NOTE: Casing strings will be pressure tested to 0.22 psi/ft of casing string depth, or 1,500 psi, whichever is greater (not to exceed 70 % of the internal yield strength of the casing) after cementing and prior to drilling out from under the casing shoe.

PROPOSED CEMENTING PROGRAM

<u>Casing / Hole Size</u>	<u>Cement Slurry</u>	<u>SX</u>	<u>PPG</u>	<u>Yield</u>
9-5/8" / 12-1/4"	Tail: Class "G" w/ 2% CaCl ₂ & 0.25 PPS Flocele (100% excess)	1200	15.8	1.17

Casing Equipment: 1 – Regular Guide Shoe
1 – Insert float collar

NOTE: Precede cement w/ 50 bbls of fresh water. Have 100 sx "neat" cement on location and 1" line pipe to pump a cement top job if cement is not circulated to surface and/or cement falls back. All waiting-on –cement times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

<u>Casing / Hole Size</u>	<u>Cement Slurry</u>	<u>SX</u>	<u>PPG</u>	<u>Yield</u>
7" / 8-3/4"	50/50 Pozmix w/.25 PPS Flocele (30% excess)	875	14.2	1.26

This section of hole may be two staged cemented if loss circulation is encountered.

<u>Casing / Hole Size</u>	<u>Cement Slurry</u>	<u>SX</u>	<u>PPG</u>	<u>Yield</u>
4-1/2" / 6-1/4"	50/50 poz cement w/ 0.25 PPS Flocele (30% excess)	518	14.2	1.26
		TOC @ 6,500'		

NOTE: Actual cement volumes will be calculated from caliper log.

Casing Equipment: 1 – Regular guide shoe
 1 – Differential-fill float collar
 10 – Centralizers (Casing will be centralized on shoe jt and across all potential pay zones)

NOTE: Precede cement with 50 bbls of fresh water. Run compatibility test on proposed cement with actual make-up water. Cement design and volumes may be altered depending on results of caliper log and presence of lost circulation zones.

Drilling Fluids Program

SURFACE HOLE: 0' – 2000' HOLE SIZE: 12-1/4" 9/5/8" CASING

Surface pipe will be pre-set with air rig.

INTERMEDIATE HOLE: 2000' – 6,500' HOLE SIZE: 8-3/4" 7" CASING

Drill out surface casing cement with water discarding contaminated fluid into reserve pit. Mud up with low-solids, 6 PPB DAPP mud system. Keep trip speeds down to reduce surge/swab pressure. Keep hole full at all times. Monitor pit levels to detect loss circulation and gas kicks. Sweep hole as dictated by hole conditions and prior to running production casing. Keep drill string moving at all times.

Recommend Fluid Properties: Weight 8.8 – 9.2PPG
 Viscosity 36-40 SEC / QT
 Water Loss 6-8 CCS

PRODUCTION HOLE: 6,500' – 11,500' HOLE SIZE: 6-1/4" 4-1/2" CASING

Drill out intermediate casing cement with water discarding contaminated fluid into reserve pit. Mud up with low-solids, non-dispersed 6 PPB DAPP mud system. Keep trip speeds down to reduce surge/swab pressure. Keep hole full at all times. Monitor pit levels to detect loss circulation and gas kicks. Sweep hole as dictated by hole conditions and prior to running production casing. Keep drill string moving at all times. Have 100-200 PPM nitrates in mud system prior to drilling any potential pay zones that may be DST'd.

Recommended Fluid Properties: Weight 8.8 – 9.2 PPG
 Viscosity 32-36 SEC / QT
 Water Loss 6 – 8 CCS

Evaluation Program

MUDLOGGING: Drilling samples will be caught every 20' from 2000' to 10,000'. Mudloggers will be on location and rigged up before drilling out surface casing. 10' samples will be caught from 10,000' to T.D. or as directed by wellsite geologist.

OPENHOLE LOGGING: 6500 –2000' – CNL/FDC w/ XY caliper and DLL
11,500 –6500' – CNL/LDT w/ XY caliper and DLL

DRILLSTEM TESTING: None anticipated.

CORING: None anticipated.

STIMULATION: All prospective zones will be perforated, flow tested and evaluated to determine if acidizing and/or fracturing is required. The drill site will be of sufficient size to accommodate all completion operations.

The proposed Evaluation Program may change at the discretion of the well site drilling supervisor and geologist with the approval of the DOGM.

One copy of all logs, core descriptions, core analyses, DST test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during drilling, workover, and/or completion operations will be filed on form #8. Samples (cuttings, fluids, and/or gases) will be submitted when requested by DOGM.

Anticipated Bottomhole Pressure

A bottomhole pressure of 4025 psi (.35 gradient) is anticipated at total depth (11,500')

ABNORMAL CONDITIONS:

No abnormal temperature or pressures are anticipated in the drilling of the Ten Mile Canyon #22-1.

Anticipated Starting Date and Miscellaneous

1) ANTICIPATED STARTING DATE:	Location Construction	May 15, 2007
	Spud Date	June 1, 2007
	Drilling Days	30 days
	Completion Days	14 days

2) MISCELLANEOUS

There will be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices will be observed.

All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with R649-3-5. There will be a sign or marker with the name of the operator, lease serial number, well name and number and survey description of the well.

Any changes in operation must have prior approval from the DOGM. Pressure test will be performed before drilling out from under of all casing strings set and cemented in place. Blowout preventers controls will remain in use until the well is either completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and inspection will be recorded on the daily drilling report. All BOP test will be recorded on the daily drilling report.

The spud date will be orally reported to the DOGM twenty-four (24) hours after spudding. If spudding occurs on a weekend or holiday, this report will be called in on the next regular work day following spudding of the well.

In accordance with R649-3-6, this well will be reported on form #6, *Entity Action Form*, starting within five working days of spudding the well.

All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in R649-3-32 will be reported to the DOGM Office. Major events will be reported verbally within twenty-four (24) hours and will be followed with a written report within five (5) days.

No well abandonment operations will be commenced without the prior approval of the DOGM. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Division. A *Notice of Intention to Abandon* (Form #9) will be filed with the Division within five (5) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with R649-3-25(7). The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welder: Company Name and Number, Location by Quarter/Quarter, Section, Township, Range and State Lease Number.

A *Subsequent Report of Abandonment* (Form #9) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate cement type and volumes, where plugs were placed, casing left in hole, statement of mud volumes used and the current status of surface restoration operations.

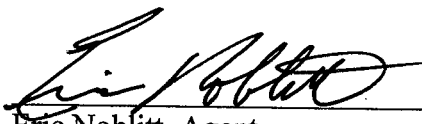
Pursuant to *R649-3-19*, operator will conduct a stabilized production test of at least 24 hours no later than fifteen (15) days following the completion of well. Lessees and operators are authorized to vent/flare gas during first calendar month after initial well evaluation tests and/or the production of three (3) MMCF of gas, whichever occurs first. An application must be filed with the DOGM, and approval received, for any venting /flaring of gas beyond the initial thirty (30) day or otherwise authorized test period.

Pursuant to *R649-2-1*, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner as to conserve the natural resources of oil and gas in the state, to protect human health and the environment, to prevent waste, to protect the correlative rights of all owners and to realize the greatest ultimate recovery of oil and gas.

Date:

January 28, 2007

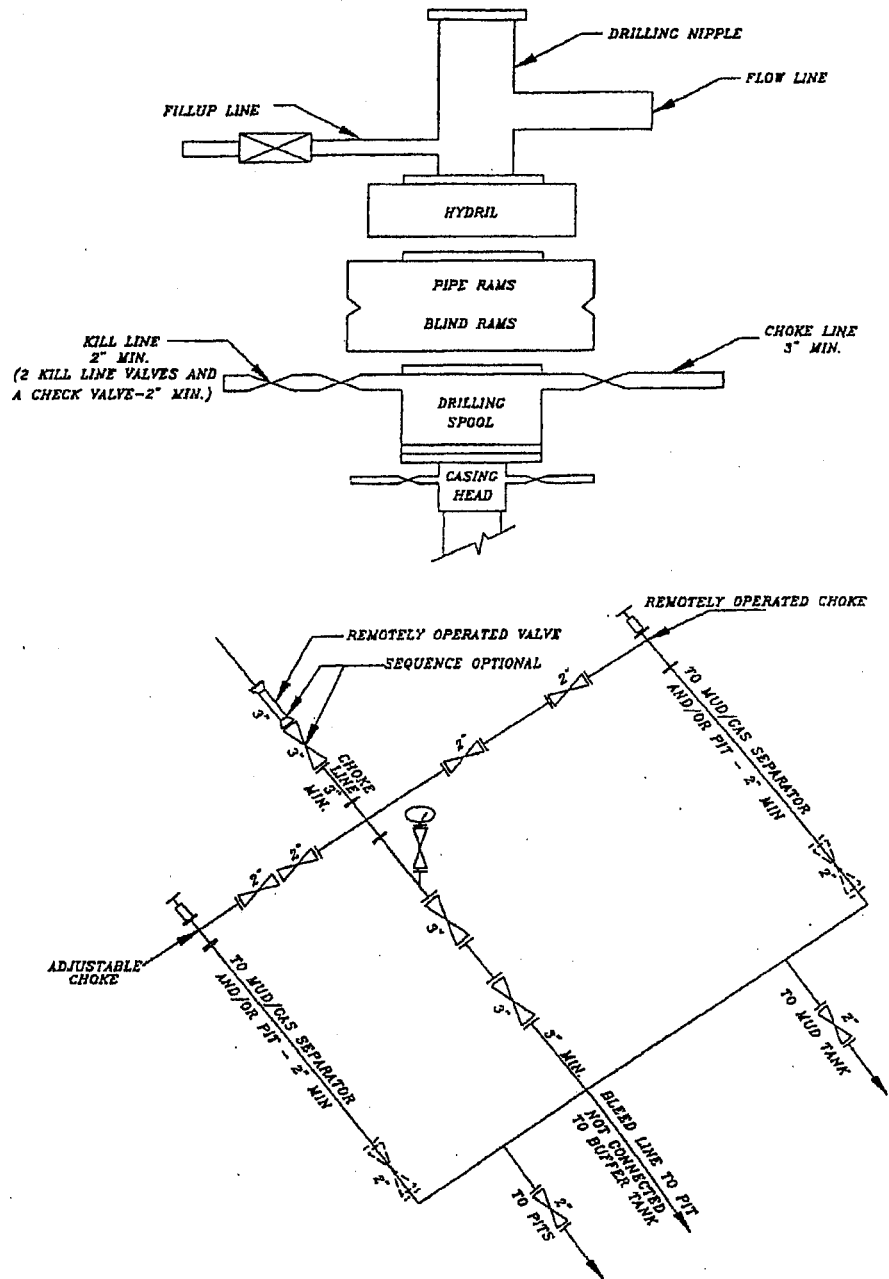
Prepared by:

A handwritten signature in black ink, appearing to read "Eric Noblitt", is written over a horizontal line.

Eric Noblitt, Agent
Royale Energy, Inc.

Schematic #1

5M BOP STACK and CHOKE MANIFOLD SYSTEM



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

Bond No. 291395

Premium: \$6,000.00

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) ROYALE ENERGY INC as Principal,
and

(surety name) AMERICAN CONTRACTORS INDEMNITY COMPANY as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

ONE HUNDRED TWENTY THOUSAND AND NO/100THS dollars (\$ \$120,000.00)

lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening, repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

☒ Blanket Bond: To cover all wells drilled in the State of Utah

☐ Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

14th day of June, 2006

(Corporate or Notary Seal here)

Attestee: _____ Date: _____

ROYALE ENERGY INC

Principal (company name)

By Donald H. Hosmer, President
Name (print) Title

Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

8TH day of JUNE, 2006

(Corporate or Notary Seal here)

Attestee: _____ Date: _____

AMERICAN CONTRACTORS INDEMNITY COMPANY

Surety Company (Attach Power of Attorney)

By CARLA M. ALLEN ATTORNEY-IN-FACT
Name (print) Title

Signature

1081 Camino Del Rio South, Suite 107

Surety Mailing Address

San Diego

City

CA

State

92108

Zip

ROYALE ENERGY, INC.
TEN MILE CANYON #22-1
SECTION 22, T16S, R21E, S.L.B.&M.

PROCEED IN A NORTHWESTERLY, THEN WESTERLY, THEN SOUTHWESTERLY DIRECTION FROM FRUITA, COLORADO ALONG INTERSTATE 70 APPROXIMATELY 30.0 MILES TO THE JUNCTION INTERSTATE 70 AND AN EXISTING ROAD TO THE NORTHWEST; EXIT RIGHT AND PROCEED IN A NORTHWESTERLY, THEN NORTHEASTERLY, THEN NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 9.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 7.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 6.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 7.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 9.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 5.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM FRUITA, COLORADO TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 76.6 MILES.

CONFIDENTIAL

ROYALE ENERGY, INC.
TEN MILE CANYON #22-1
LOCATED IN GRAND COUNTY, UTAH
SECTION 22, T16S, R21E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

12 01 06
MONTH DAY YEAR

PHOTO

TAKEN BY: J.R.

DRAWN BY: C.P.

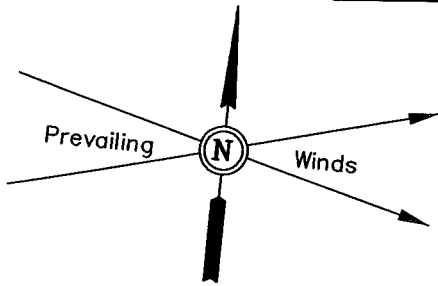
REVISED: 00-00-00

ROYALE ENERGY, INC.

FIGURE #1

LOCATION LAYOUT FOR

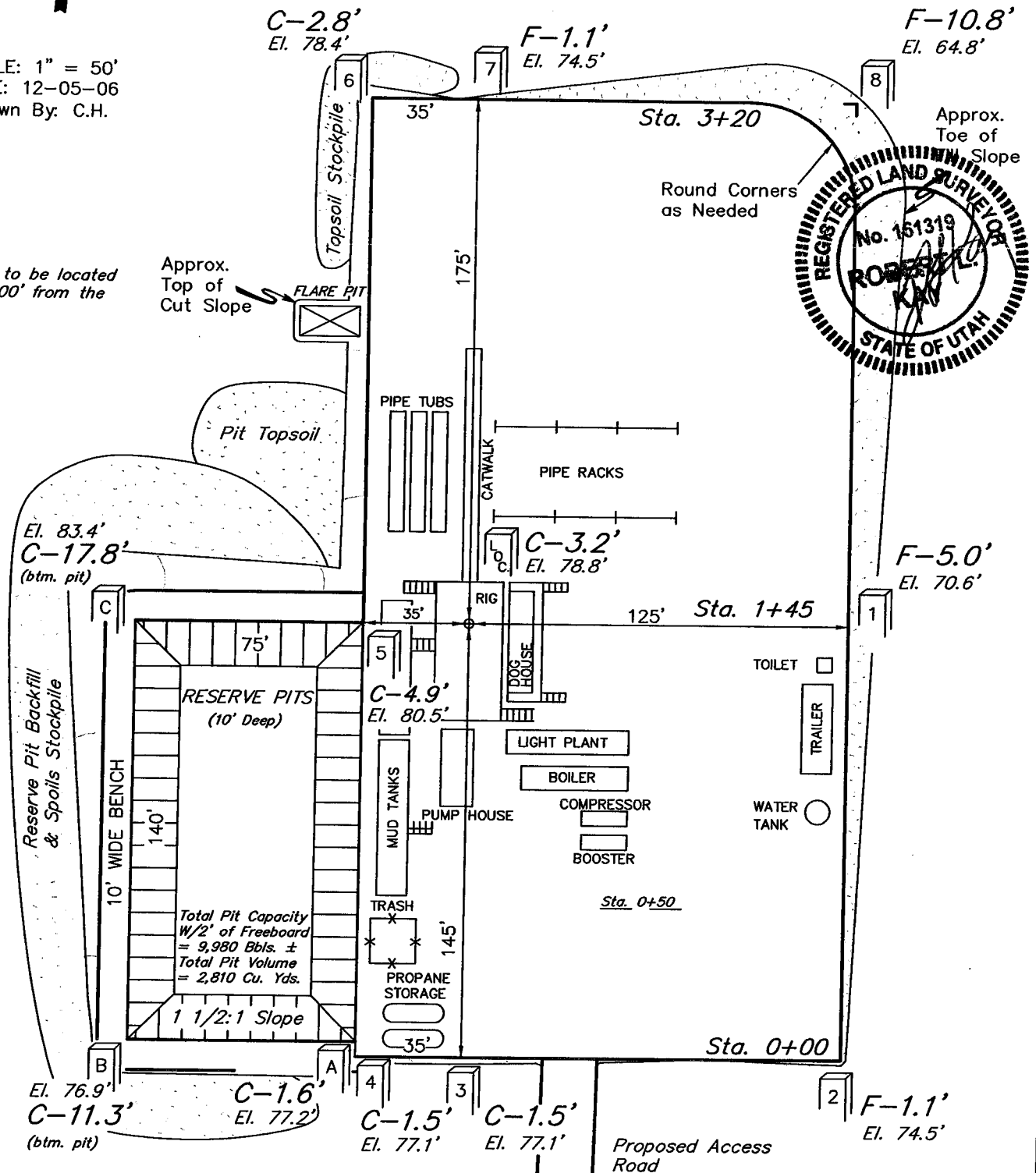
TEN MILE CANYON #22-1
SECTION 22, T16S, R21E, S.L.B.&M.
1893' FSL 830' FEL



SCALE: 1" = 50'
DATE: 12-05-06
Drawn By: C.H.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 7878.8'
FINISHED GRADE ELEV. AT LOC. STAKE = 7875.6'

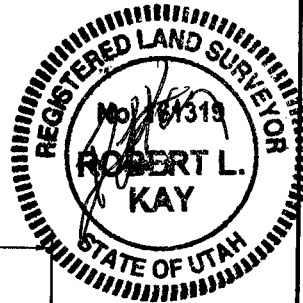
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

ROYALE ENERGY, INC.

TYPICAL CROSS SECTIONS FOR

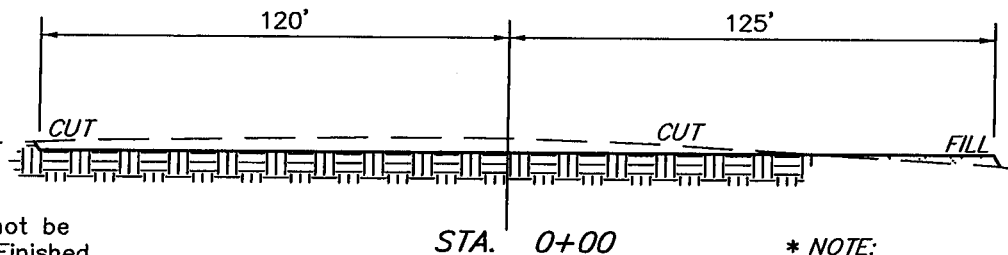
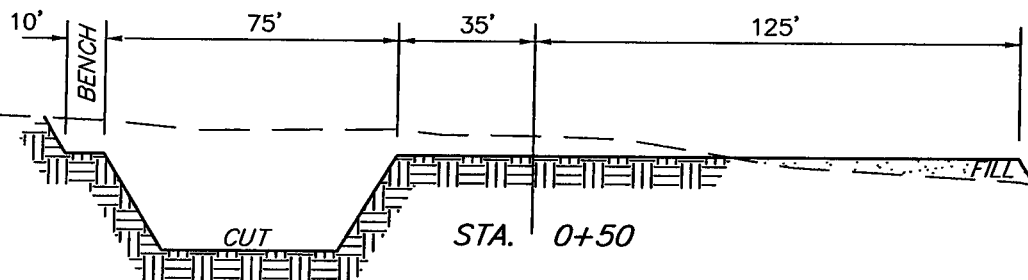
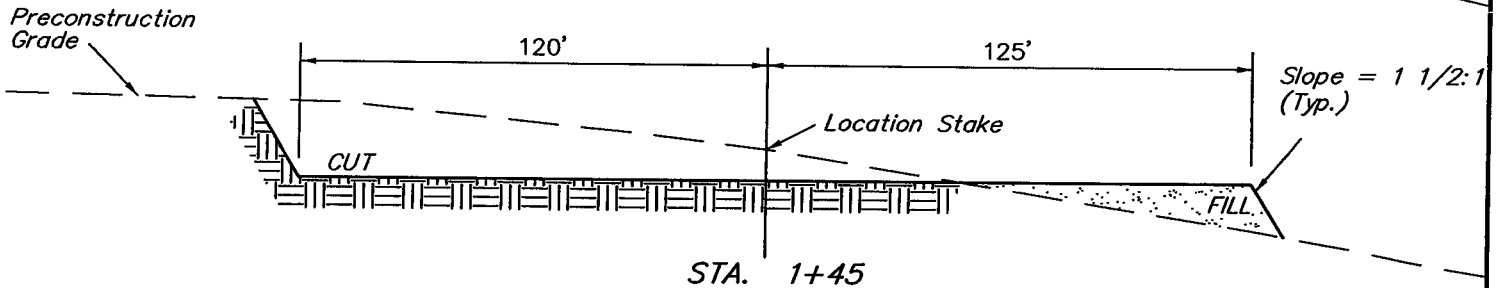
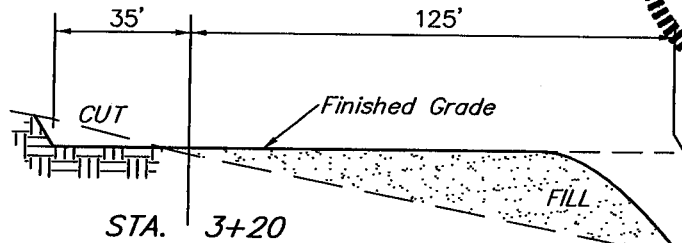
TEN MILE CANYON #22-1
SECTION 22, T16S, R21E, S.L.B.&M.
1893' FSL 830' FEL

FIGURE #2



1" = 20'
X-Section
Scale
1" = 50'

DATE: 12-05-06
Drawn By: C.H.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

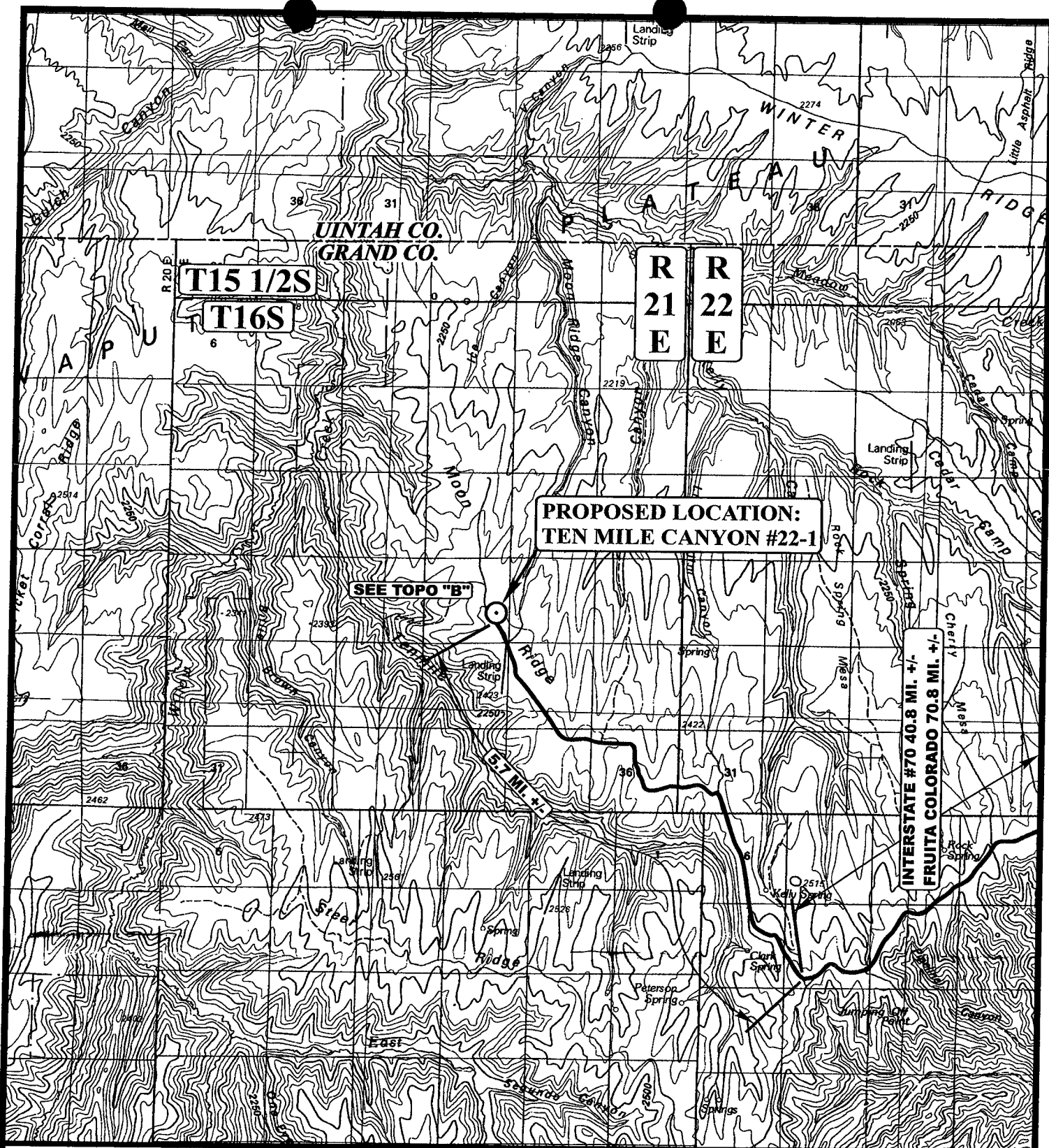
APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,390 Cu. Yds.
Remaining Location = 6,060 Cu. Yds.

TOTAL CUT = 7,450 CU.YDS.
FILL = 4,650 CU.YDS.

EXCESS MATERIAL = 2,800 Cu. Yds.
Topsoil & Pit Backfill = 2,800 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

N

ROYALE ENERGY, INC.

TEN MILE CANYON #22-1
SECTION 22, T16S, R21E, S.L.B.&M.
1893' FSL 830' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

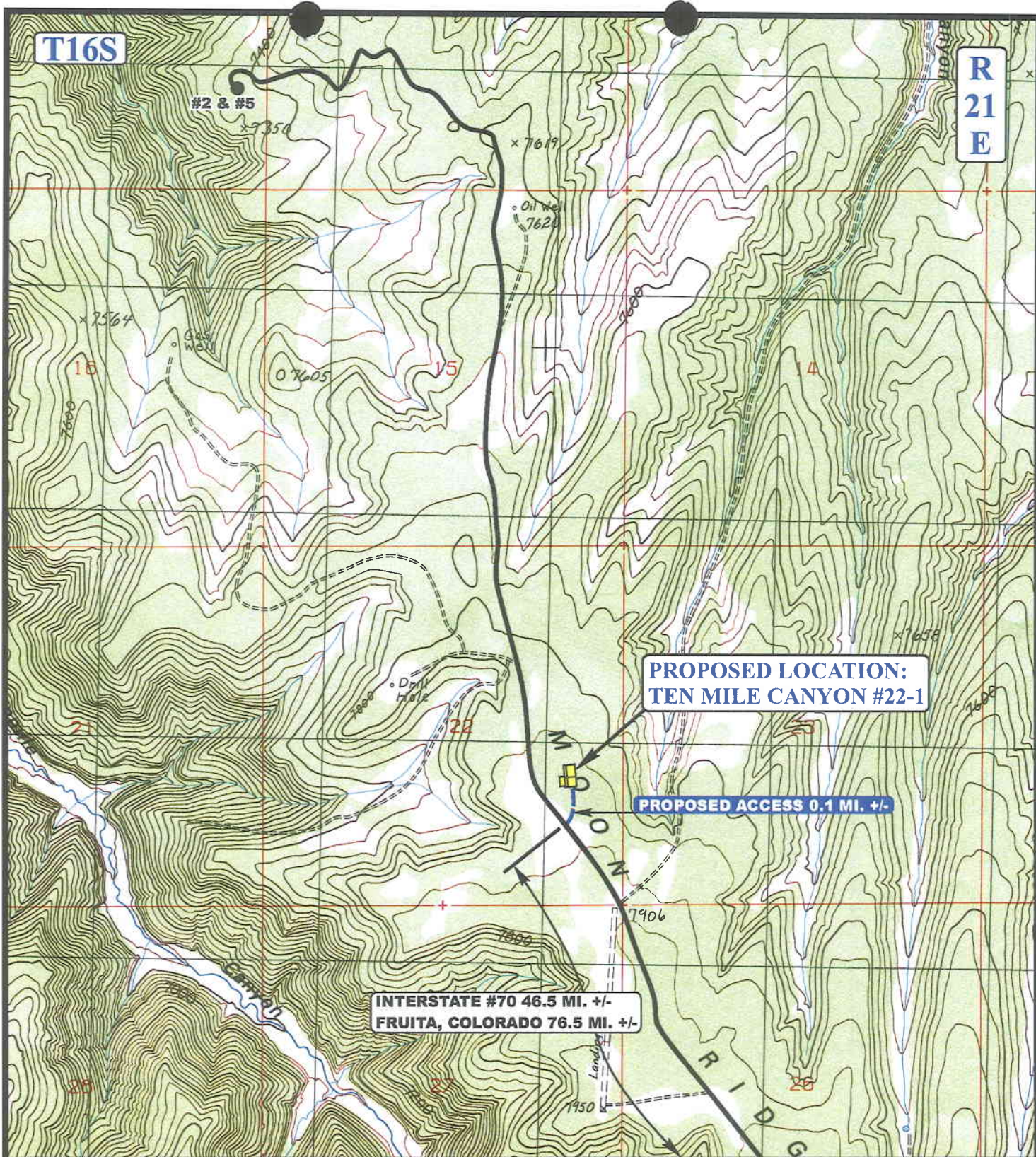
12 01 06
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 00-00-00





LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD

ROYALE ENERGY, INC.

TEN MILE CANYON #22-1
SECTION 22, T16S, R21E, S.L.B.&M.
1893' FSL 830' FEL

U E I S
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 12 01 06
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **B**
TOPO

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/31/2007

API NO. ASSIGNED: 43-019-31526

WELL NAME: TEN MILE CYN 22-1

OPERATOR: ROYALE ENERGY, INC. (N2465)

PHONE NUMBER: 619-881-2800

CONTACT: ERIC NOBLITT

PROPOSED LOCATION:

NESE 22 160S 210E

SURFACE: 1893 FSL 0830 FEL

BOTTOM: 1893 FSL 0830 FEL

COUNTY: GRAND

LATITUDE: 39.39929 LONGITUDE: -109.5821

UTM SURF EASTINGS: 622094 NORTHINGS: 4361838

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

DRD

4/18/07

Geology

Surface

LEASE TYPE: 3 - State

LEASE NUMBER: ML-46542

PROPOSED FORMATION: ENRD

SURFACE OWNER: 3 - State

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 291395)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 49-123)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: MOON CANYON

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

___ R649-3-11. Directional Drill

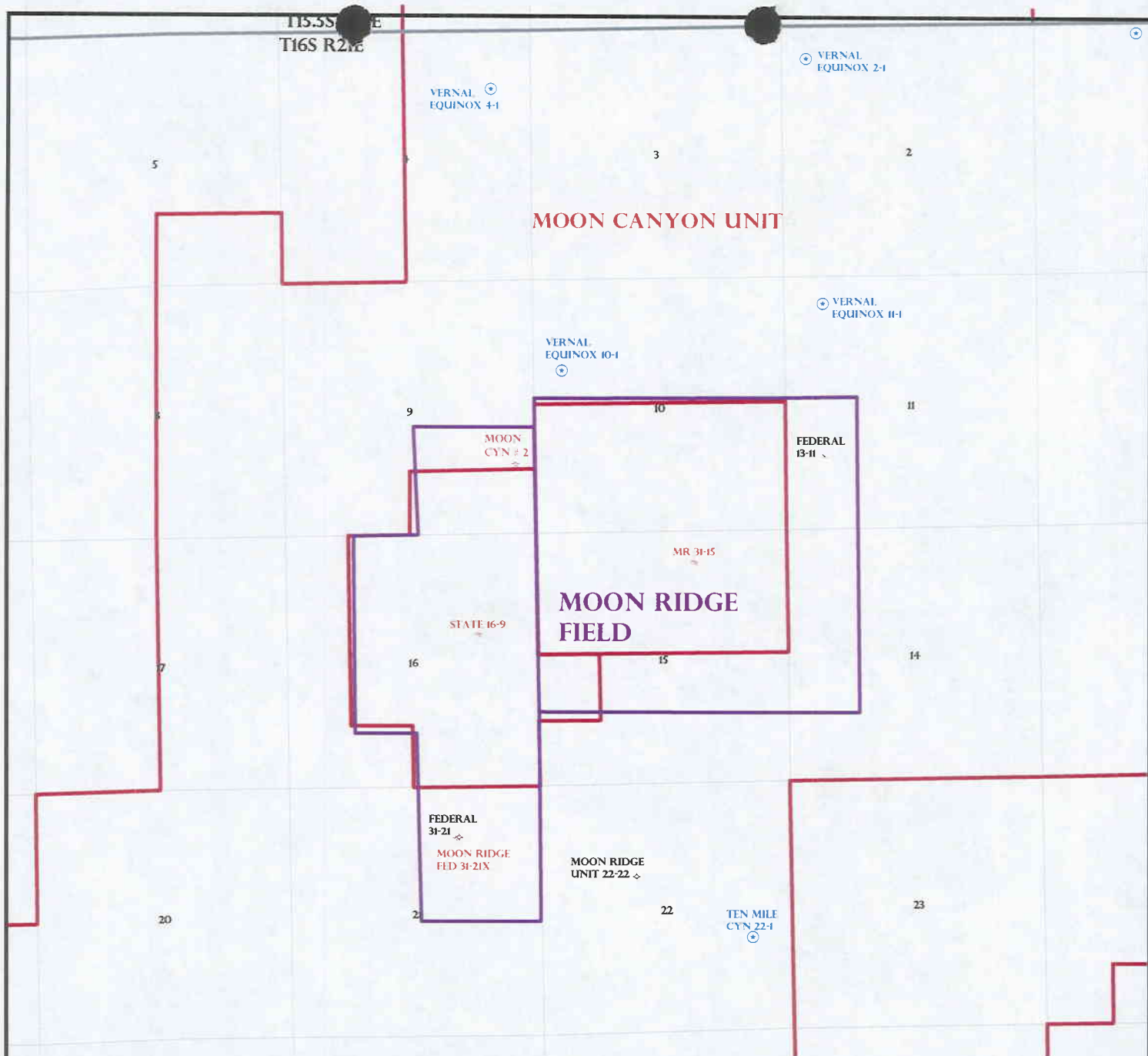
COMMENTS:

Needs Permit (04-03-07)

STIPULATIONS:

1- Spacing Shp

2- STATEMENT OF BASIS



OPERATOR: ROYALE ENERGY (N2465)

SEC: 22 T.16S R. 21E

FIELD: UNDESIGNATED (002)

COUNTY: GRAND

SPACING: R649-3-2 / GENERAL SITING

Field Status

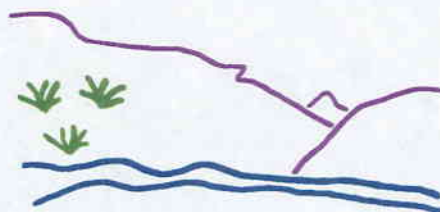
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 1-FEBRUARY-2007

Application for Permit to Drill

Statement of Basis

4/12/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM		
225	43-019-31526-00-00		GW	S	No		
Operator	ROYALE ENERGY, INC.		Surface Owner-APD				
Well Name	TEN MILE CYN 22-1	Unit	MOON CANYON				
Field	UNDESIGNATED	Type of Work					
Location	NESE 22 16S 21E S 0 F L 0 F L GPS Coord (UTM) 622094E 4361838N						

Geologic Statement of Basis

A well at this location will spud into the Tertiary age upper part of the Parachute Creek Member of the Green River Formation. A poorly to moderately permeable soil is developed on the Parachute Creek Member of the Green River Formation. The Parachute Creek Member is regarded as an aquifer in the Uinta Basin and is likely to contain a high quality ground water resource. In addition, the Wasatch Formation (Wasatch Aquifer) is subjacent. The base of moderately saline ground water is found at approximately 3,000', Total Depth (TD). The Operator proposes to set 9 5/8" surface casing at 2,000' TD and 7" intermediate casing at 6,500' TD. According to the proposed cementing program they will cement the surface casing up to the surface, including one-inching to surface if needed. It is recommended that the cement program for the intermediate casing include a requirement for cementing to 100' above the base of the surface casing (~1900"TD) in order to isolate the low quality water from the high quality water above. No underground water rights exist within a mile of the location.

Chris Kierst
APD Evaluator

4/11/2007
Date / Time

Surface Statement of Basis

On-site evaluation conducted April 3, 2007. Participants included: Bart Kettle (Division of Oil, Gas and Mining), Ben Williams (Division of Wildlife Resources), Jim Davis (School and Institutional Trust Land Administration), Eric Noblitt (Agent for Royale), Glen Donaldson (Royale) and Ron Glendive (Halliburton).

Due to resource damage resulting from drilling activities conducted during spring thaw on the Bookcliff divide in previous years, it is recommended that drilling be avoided during the months of February through April. Reserve pit should be fenced on all four sides upon the removal of the drilling rig to prevent entrapment of wildlife, livestock and wild horses.

Bart Kettle
Onsite Evaluator

4/3/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Pits	Fence reserve pit immediately upon removal of the drilling rig.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator ROYALE ENERGY, INC.
Well Name TEN MILE CYN 22-1
API Number 43-019-31526-0 **APD No** 225 **Field/Unit** UNDESIGNATED
Location: 1/4, 1/4 NESE **Sec** 22 **Tw** 16S **Rng** 21E 0 FL 0 FL
GPS Coord (UTM) **Surface Owner**

Participants

Bart Kettle (DOGM), Ben Williams (DWR), Jim Davis (SITLA), Eric Noblitt (Agent for Royale), Glen Donaldson (Royale) and Ron Glendive (Halliburton)

Regional/Local Setting & Topography

Project site is 60 miles northwest of Frutia Colorado in Grand County Utah. The project site is located near the Bookcliffs divide on the north side above Meadow Creek in a 14-16" precept zone. Pinyon/Juniper rangelands dominate the surroundings. Many deep rocky pinyon/juniper, Douglas fir and mountain browse canyons surround the well site. Topography to the south rises to the Bookcliff divide, and then drops off quickly into a narrow band of P/J woodlands, with extensive salt scrub clay flats in the Grand Valley below. Slopes are more gradual to the north, with extensive P/J woodland eventually giving way to the salt scrub communities bordering the White and Green Rivers. Project site is located towards the end of a long mesa over looking the Meadow Creek drainage. No perennial water was observed during the on-site inspection, however Meadow Creek, a perennial stream, is located within 1/2 mile of the well site. Drainages in the immediate area are ephemeral in nature. Perennial and intermittent springs are shown on 7.5 min maps near the bottom of adjacent canyons. Access to the well site can be gained via the Moon Ridge Road either from V Canyon or the Bookcliff Divide Roads.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.1	Width 225	Length 325	Onsite	GRRV

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Flora

Forbs: Aster spp.

Grass: Sandburg's blue grass, needle and thread grass, blue grama.

Shrubs: Wyoming sage, birch leaf mountain mahogany, common snowberry and antelope bitter brush.

Trees: Two needle pinyon, Utah juniper.

Fauna

Elk, mule deer, black bear, cougar, bobcat, cotton tail rabbits, black tail jack rabbit, pinyon jay, canyon wren, Clarks nutcracker, black capped chickadee, deer mouse. Potential for many species of rodents, song birds, raptors and reptiles.

Soil Type and Characteristics

Brown clay loam, some small sandstone fragments

Erosion Issues Y

Soils erosive when disturbed

Sedimentation Issues N**Site Stability Issues N****Drainage Diversion Required N****Berm Required? N****Erosion Sedimentation Control Required? N**

Recommend reseed top soil pile and well pad as soon as possible.

Paleo Survey Run? N**Paleo Potential Observed? N****Cultural Survey Run? Y****Cultural Resources? N****Reserve Pit****Site-Specific Factors****Site Ranking****Distance to Groundwater (feet)** >200

0

Distance to Surface Water (feet) >1000

0

Dist. Nearest Municipal Well (ft) >5280

0

Distance to Other Wells (feet) >1320

0

Native Soil Type Mod permeability

10

Fluid Type Fresh Water

5

Drill Cuttings Normal Rock

0

Annual Precipitation (inches) 10 to 20

5

Affected Populations <10

0

Presence Nearby Utility Conduits Not Present

0

Final Score

20

1

Sensitivity Level**Characteristics / Requirements****Closed Loop Mud Required? N****Liner Required? N****Liner Thickness 12****Pit Underlayment Required? N****Other Observations / Comments**

Division of Wildlife Resources (DWR) comments that the project area lies within High value mule deer summer range and critical elk summer range. DWR recommends that Royale move the access road out of the sage brush flat into P/J interface. School and Institutional Trust Lands Administration (SITLA) concerned about impacts of rig traffic on roads during wet season of the year. Recommending Royale avoid drilling during the months of Dec-April. SITLA requesting that if well proves to be a produce pipeline be buried for a bulk of it's length. SITLA recommending a raised bed road surface to prevent excessive erosion, some culverts will be require along the length of the road. Division of Oil, Gas and Mining concerned about impacts caused in the region when operators attempt to drill wells during the spring break up period occurring from Feb. early April. DOGM recommends that Royale be prepared to deal with powdery road conditions and dust problems during the months of May-July.

Bart Kettle
Evaluator4/3/2007
Date / Time



UTAH DIVISION OF WATER RIGHTS



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[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

2007-04 Royale Ten Mile CYN 22-1

Casing Schematic

Intermed
BHP

$$0.052(6500)9.2 = 3110 \text{ psi}$$

$$\text{Gas } .12(6500) = 780$$

$$3110 - 780 = 2330 \text{ psi, MASP}$$

BOPE 5M ✓

9-5/8"
MW 8.3
Frac 19.3

Burst 3520

$$70\% \text{ } 2464 \text{ psi}$$

Max P@ surf. shoe

$$.22(4500) = 990$$

$$3110 - 990 = 2120 \text{ psi}$$

Surf. test to 2120 psi ✓

Strip Int. cmt

Prod. String

$$\text{BHP } 0.052(11,500)9.2 = 5502 \text{ psi}$$

anticipate 4025 psi

MW 9.2
Frac 19.3

$$\text{Gas } .12(11,500) = 1380$$

$$5502 - 1380 = 4122 \text{ psi, MASP}$$

BOPE 5M ✓

Burst 6340

$$70\% \text{ } 4438 \text{ psi}$$

Max P@ Int. Shoe

$$.22(5000) = 1100$$

$$5502 - 1100 = 4402 \text{ psi}$$

Int. test to 4100 psi ✓

4-1/2"
MW 9.2

strip int. cmt.

✓ Adequate DWD 4/18/07

12% 15% 18%

Surface

TOC @ Green River/Parachute Cr. 0.

1868' TOC w/10% w/o Surface 2000. MD

TOC @ 2632' 3000' ± BMSW

6438' 6400' Main Mancos TOC w/6% w/o Intermediate 6500. MD

TOC @ 7338.

Propose TOC to 6500' w/caliper log

✓ O.K.

10,000' Dakota Silt
18,400' Dakota Sandstone
18,500' Cedar Mtn.
10,600' Morrison
11,000' Entrada

Production 11500. MD

Well name:	2007-04 Royale Ten Mile CYN 22-1		
Operator:	Royale Energy Inc.	Project ID:	43-019-31526
String type:	Surface		
Location:	Grand County		

Design parameters:
Collapse

Mud weight: 8.300 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 1,754 ft

Non-directional string.
Re subsequent strings:

Next setting depth: 6,500 ft
Next mud weight: 9.200 ppg
Next setting BHP: 3,106 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure: 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	36.00	K-55	ST&C	2000	2000	8.765	868.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	862	2020	2.343	2000	3520	1.76	72	423	5.88 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357

Date: April 16, 2007
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.3 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	2007-04 Royale Ten Mile CYN 22-1		
Operator:	Royale Energy Inc.	Project ID:	43-019-31526
String type:	Intermediate		
Location:	Grand County		

Design parameters:
Collapse

Mud weight: 9.200 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 156 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 2,632 ft

Burst

Max anticipated surface pressure: 2,966 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 4,396 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 5,601 ft

Non-directional string.
Re subsequent strings:

Next setting depth: 11,500 ft
Next mud weight: 9.200 ppg
Next setting BHP: 5,496 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 6,500 ft
Injection pressure: 6,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	6500	7	23.00	N-80	LT&C	6500	6500	6.25	1436.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3106	3830	1.233	4396	6340	1.44	150	442	2.96 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357

Date: April 16, 2007
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 6500 ft, a mud weight of 9.2 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	2007-04 Royale Ten Mile CYN 22-1		
Operator:	Royale Energy Inc.	Project ID:	
String type:	Production	43-019-31526	
Location:	Grand County		

Design parameters:
Collapse

Mud weight: 9.200 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 226 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 7,338 ft

Burst

Max anticipated surface pressure: 2,966 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,496 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 9,918 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	11500	4.5	11.60	P-110	LT&C	11500	11500	3.875	1003.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5496	7580	1.379	5496	10690	1.95	133	279	2.09 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357

Date: April 16, 2007
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 11500 ft, a mud weight of 9.2 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

February 1, 2007

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2007 Plan of Development Moon Canyon, Grand County,
Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Moon Canyon Unit, Grand County, Utah.

API #	WELL NAME	LOCATION
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(Proposed PZ Entrada)

43-019-31525	Vernal Equinox 4-1 Sec 04 T16S R21E 1258 FNL 0830 FEL	
43-019-31527	Vernal Equinox 2-1 Sec 02 T16S R21E 0720 FNL 0523 FWL	
43-019-31526	Ten Mile Cyn 22-1 Sec 22 T16S R21E 1893 FSL 0830 FEL	

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File – Moon Canyon Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:2-1-07

From: Ed Bonner
To: Mason, Diana
Date: 2/14/2007 11:37 AM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Delta Petroleum Corporation

Salt Valley State 24-14 (API 43 019 31513)

Salt Valley State 23-43 (API 43 019 31514)

Dominion E&P, Inc

KC 5-36D (API 43 047 38779)

Enduring Resources, LLC

Rock House 10-22-31-36 WD (API 43 047 38993)

EOG Resources, Inc

Big Wash 30-02GR (API 43 013 33484)

East Chapita 31-16 (API 43 047 38988)

Royale Energy, Inc

Vernal Equinox 4-1 (API 43 019 31525)

Ten Mile Canyon 22-1 (API 43 019 31526)

Vernal Equinox 2-1 (API 43 019 31527)

If you have any questions regarding this matter please give me a call.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 18, 2007

Royale Energy, Inc.
7676 Hazard Center Dr
San Diego, CA 92108

Re: Ten Mile Canyon 22-1 Well, 1893' FSL, 830' FEL, NE SE, Sec. 22,
T. 16 South, R. 21 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31526.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Grand County Assessor
Bureau of Land Management, Moab Office
SITLA

Operator: Royale Energy, Inc.
Well Name & Number Ten Mile Canyon 22-1
API Number: 43-019-31526
Lease: ML-46542

Location: NE SE Sec. 22 T. 16 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office
 (801) 942/0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
 (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: Royal Energy, Inc

Well Name: Ten Mile Canyon 22-1

API No: **43-019-31526** Lease Type: **State**

Section 22 Township 16S Range 21E County GrandDrilling Contractor Pete Martin Drilling Rig # Rathole

SPUDDDED:

Date 6-13-07

Time _____

How **Dry**_____

Drilling will Commence:_____

Reported by **Keith Oyole**

Telephone # 701-770-1370

Date 6-11-07 Signed RM

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-46542

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Moon Canyon

8. WELL NAME and NUMBER:

Ten Mile Canyon 22-1

9. API NUMBER:

4301931526

10. FIELD AND POOL, OR WILDCAT:

Undesignated

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

Royale Energy, INC

3. ADDRESS OF OPERATOR:

7676 Hazard Center Drive

CITY

San Diego

STATE

CA

ZIP

92108

PHONE NUMBER:

(619) 881-2800

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1893'FSL 830' FEL**

COUNTY: **Grand**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESE 22 16S 21E**

STATE:

UTAH

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Set conductor(spud)</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>and surface casing</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU PETE MARTIN DRILLING OF VERNAL UTAH. SPUD WELL AT 01:00 HRS ON 06-14-2007. DRILL 20' HOLE FOR CONDUCTOR PIPE 40' DEEP. SET 14" CONDUCTOR PIPE, .250 WALL THICKNESS GRADE A252A 36.75#. DRILL 20" RATHOLE 35' DEEP. SET 14' 14 GAUGE PIPE. DRILL MOUSE HOLE 20' DEEP AND SET 15' CULVERT. RDMO

MOBILIZE PROPETRO OF VERNAL UTAH, AIR DRILLING RIG 06-15-2007. START DRILLING AT 17:00 HOURS. DRILL 12-1/4 HOLE FROM 40' TO 2020'. RUN 2182.1' OF 9-5/8 LIMITED SERVICE J-55 CASING(SEE ATTACHED SPECS-VERBAL APPROVAL BY BART KETTLE). MEASUREMENTS ARE FORM TOP OF AIRBOWL, 2' ABOVE GL. RAN FLOAT SHOE, 1 JT OF 9-5/8 36# CASING, FLOAT COLLAR, AND 49 JTS OF 9-5/8 36# CASING. FLOAT SHOE AT 2182.1' (BOTTOM) FLOAT COLLAR AT 2135.9 (TOP) RIG UP PROPETRO CEMENTERS OF VERNAL UTAH. PUMP 155 BBLS OF FRESH WATER SPACER. PUMP 20 BBLS GEL SPACER. MIX AND PUMP 115 BBLS OF LEAD CEMENT, 11# HIFILL (170 SKS). MIX AND PUMP 40.9 BBLS OF CLASS G TAIL, 15.8# (200SKS). DROP PLUG. DISPLACE W/ 164 BBLS OF FW. LAND PLUG WITH 750 PSI. FLOAT HELD. NO CEMENT TO SURFACE. PUMP 100 SKS (20.4 BBLS) OF 15.8# CLASS G W 3% CHLORIDE DOWN 1" IN ANNULUS. WAIT TWO HOURS. PUMP 100 SKS (20.4 BBLS) OF 15.8# CLASS G DOWN SURFACE HOLE/9-5/8 ANNULUS WAIT TWO HOURS. PUMP 200 SKS (40.9 BBLS) OF 15.8# CLASS G DOWN SUFACE HOLE/9-5/8 ANNULUS HOLE FULL AND STATIC

NAME (PLEASE PRINT)

Keith Cylone (for Glenn Donaldson)

TITLE

Sr Prod Foreman

SIGNATURE

Keith Cylone

DATE

06-21-2007

(This space for State use only)

RECEIVED

JUN 26 2007

(5/2000)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

PAGE 1 of 2


Prudential Steel Ltd.
Partners In Quality

DATE Mar 22, 2007

QUALITY CONTROL DOCUMENT #36 (MILL TEST CERTIFICATE) REV. 2

PRODUCT SIZE 9.625

GAUGE .352 SHIPPED VIA TRUCK

CUSTOMER PO

MILL ORDER 1347 ITEM 0

HYDROSTATIC PRESSURE 3220 PSI HYDROSTATIC TIME 5 Sec

NORMALIZING TEMP 1990 F MILL SPEED 70

FEET SHIPPED:

CONFORMING TO COMMERCIAL GRADE

SECTIONS SHIPPED

KILLED TYPE: Full

LSD:

Tensile Tests

Heat No.	Coil Code	Pipe No.	Yield	Tensile	% Elong	Y/T Ratio
424296	74KR		61480	82216	34	0.75
424297	88KR		64236	81780	33	0.78
424298	05KS		68006	83666	36	0.81
424299	19KS		67570	82506	35	0.82
424300	35KS		67716	82216	36	0.82

Rockwell B(S)**Hardness****Vickers (500g)**

Rockwell B(S)		Hardness		Vickers (500g)	
Low	High	Avg.	Low	High	Avg.
89	92	90.4			
88	93	90.5			
88	93	90.5			
89	92	90.3			
87	92	89.4			

Chemistry Tests

Heat No.	Coil	Type	C	Mn	P	S	Si	Cr	Ni	Cr	Sn	Mo	Al	Nb	V	Ti	Ca	B	Carbon Eq.
424296		L	.2300	0.880	.0100	.0020	.2200	.0200	.0200	.0200	.0000	.0200	.0500	.0080	.0390	.0000	.0000	.0000	0.40
424296	74KR	C	.2150	0.852	.0092	.0028	.2212	.0238	.0125	.0175	.0067	.0158	.0446	.0050	.0355	.0027	.0018	.0000	0.38
424296	74KR	C	.2274	0.855	.0091	.0030	.2217	.0229	.0144	.0177	.0068	.0164	.0444	.0050	.0354	.0027	.0021	.0000	0.40
424297		L	.2400	0.850	.0110	.0080	.2100	.0200	.0200	.0200	.0100	.0200	.0400	.0080	.0340	.0000	.0000	.0000	0.41
424297	88KR	C	.2274	0.836	.0104	.0068	.2104	.0214	.0114	.0195	.0089	.0112	.0363	.0050	.0369	.0028	.0019	.0000	0.39
424297	88KR	C	.2384	0.826	.0107	.0063	.2059	.0199	.0101	.0192	.0094	.0117	.0356	.0050	.0363	.0028	.0014	.0000	0.40
424298		L	.2300	0.840	.0100	.0050	.2000	.0200	.0200	.0200	.0000	.0200	.0400	.0080	.0330	.0000	.0000	.0000	0.40

Comments

ORIGINAL SIGNED COPY ON FILE

 WE CERTIFY THAT THE PRODUCT DESCRIBED ABOVE PASSED ALL OF
 THE TESTS REQUIRED BY THE SPECIFICATION

 Company Representative

 Customer Representative

PAGE 2 of 2

Customer



Prudential Steel Ltd.

Partners In Quality

DATE Mar 22, 2007

QUALITY CONTROL DOCUMENT #36 (MILL TEST CERTIFICATE) REV. 2

PRODUCT SIZE 9.825

GAUGE .352 SHIPPED VIA TRUCK CUSTOMER PO

MILL ORDER 1347 ITEM 0

HYDROSTATIC PRESSURE 3220 PSI HYDROSTATIC TIME 5 Sec. NORMALIZING TEMP 1890 F MILL SPEED 70

FEET SHIPPED:

CONFORMING TO COMMERCIAL GRADE

SECTIONS SHIPPED

KILLED TYPE: Full

LSD:

Chemistry Tests

Heat No.	Coil	Type	C	Mn	P	S	Si	Cu	Ni	Cr	Sn	Mo	Al	Nb	V	Ti	Ca	B	Carbon Eq.
424298	05KS	C	.2391	0.845	.0158	.0056	.2101	.0223	.0135	.0163	.0107	.0150	.0404	.0050	.0360	.0031	.0010	.0000	0.41
424298	05KS	C	.2401	0.847	.0156	.0061	.2141	.0224	.0146	.0164	.0104	.0152	.0414	.0050	.0360	.0031	.0017	.0000	0.41
424299		L	.2400	0.860	.0110	.0060	.2100	.0200	.0200	.0200	.0100	.0200	.0400	.0080	.0330	.0000	.0000	.0000	0.41
424299	19KS	C	.2249	0.837	.0104	.0050	.2166	.0203	.0102	.0180	.0058	.0161	.0381	.0051	.0355	.0029	.0012	.0000	0.39
424299	19KS	C	.2276	0.836	.0100	.0050	.2169	.0206	.0105	.0180	.0055	.0146	.0386	.0050	.0355	.0030	.0014	.0000	0.39
424300		L	.2300	0.870	.0100	.0060	.1900	.0200	.0200	.0200	.0100	.0200	.0400	.0080	.0320	.0000	.0000	.0000	0.40
424300	35KS	C	.2253	0.846	.0097	.0080	.2006	.0223	.0111	.0180	.0055	.0157	.0392	.0052	.0357	.0027	.0014	.0000	0.39
424300	35KS	C	.2326	0.856	.0096	.0053	.2086	.0223	.0119	.0179	.0048	.0147	.0403	.0042	.0360	.0027	.0021	.0000	0.40

Comments

ORIGINAL SIGNED COPY ON FILE

WE CERTIFY THAT THE PRODUCT DESCRIBED ABOVE PASSED ALL OF THE TESTS REQUIRED BY THE SPECIFICATION

Company Representative

Customer Representative



1173

or Rural

0020 Snake Canyon 22-1

Rig No.

TIME	DESCRIPTION	RATE	PSI	VOLUME
20:00	On Location 6-16-07			
	Date Change 6-17-07			
24:05	Start H ₂ O	0	0	0
24:25	End H ₂ O	8	90	15.5
24:25	Start Gel	8	90	0
24:28	End Gel	8	90	20
24:28	Start 11" Cmt	8	90	0
24:43	End 11" Cmt (170 sks)	8	90	11.5
24:43	Start 15.8" Cmt	6	80	0
24:50	End Cmt (200 sks) & Drop Plug on 1st	6	80	40.9
24:50	Start Displacement	8	50	0
05:26	Pressure & Rate	4	320	164
05:26	Launch Plug Check Float (Held)	0	750	165.4
	1/0 Circulation			
05:35	Start Cmt Down 1" 15.8"	0	0	0
05:45	End cmt (100 sks) W.O.C.	0	0	20.4
08:00	Start Cmt Down Back side 15.8"	0	0	0
08:10	End cmt (100 sks) W.O.C.	0	0	20.4
10:05	Start Cmt Down Back side 15.8"	0	0	0
10:20	End cmt (200 sks) Cmt to Surface	0	0	40.9
	Cmt Didnot Fall Back			

Operator Brian Thompson Accepted and approved by _____



Performance Professionals™

P.O. Box 827 • Vernal, UT 84078 • (435) 789-1735

1173

JOB SUMMARY REPORT

Customer <u>Royal</u>		Date <u>6-17-07</u>		Ticket Number	
Lease & Well Name <u>10 mile Canyon 22-1</u>		Sec.	Twp.	Range	County <u>Grand Co. UT</u>
Job Type <u>Surface Casing</u>			Drilling Contractor		
Surface CSG Size <u>9 5/8</u>	Wt./Grade <u>36</u>	Thread	Depth From <u>0</u>	To <u>2182</u>	
Inter CSG Size	Wt./Grade	Thread	Depth From	To	
Prod. CSG Size	Wt./Grade	Thread	Depth From	To	
Liner CSG Size	Wt./Grade	Thread	Depth From	To	
TBG or D.R. Size	Wt./Grade	Thread	Depth From	To	

SKS	Materials Furnished	Slurry Wt. P.P.G.	Slurry Yield FT ³	Water Gal./Sk.
170 H.F.V	12 cement, 14% Gel, 3% Salt, 10#/sk Gelsomite 3#/sk GR-3, 1/4#/sk Flocc	11	3.82	23
200 T-1	"G" cement, 2% Calcium Chloride, 1/4#/sk Flocc	15.8	1.15	5.0
100 1"	"G" cement, 3% Calcium Chloride, 1/4#/sk Flocc	15.8	1.15	5.0
300 Top off	"G" cement, 3% Calcium Chloride, 1/4#/sk Flocc	15.8	1.15	5.0

Float Equipment
Guide Shoe, Float Collar, Clamp, Centralizers EA, Top Plug, Thread lock etc.

Equipment & Personnel
Brew #59, Rob #46, Jesus #4, Sergio #36

Notes
No Circulation During Job



P.O. Box 827
Vernal, UT 84078
Phone (435) 789-1733

1133

Date 6-17-07, 20

For Royal Address _____

Lease 10mile Canyon 22-1

Rig No. _____

CODE	DESCRIPTION	UNIT	AMOUNT	
1	Mileage Pump Unit	240 mi	6 05	1,452 00
1	Mileage Crew Truck	240 mi	3 70	888 00
1	Pump Charge 2182 ⁵⁺	1 FA		3764 00
1	Additional Hours	4 FA	725 00	2,400 00
2	Premium Cement	770 SKS	30 00	23100 00
2	Gel	26 SKS	36 40	916 40
2	Gilsonite	1700 lbs	1 25	1,785 00
2	Salt	480 lbs	30	144 00
2	GR-3	510 lbs	3 60	1836 00
2	Flare	193 lbs	5 25	1,013 25
2	Calcium Chloride	16 SKS	157 00	2,512 00
2	Blending Charge	917 WH	3 45	3,163 65
2	Delivery Charge <78,823 lbs>	4730 TM	2 15	10,169 50
2	1" Pipe	100 FT	5 00	500 00
2	Suck Gel	4 SKS	36 40	145 60
2	Guide Shoe 9 5/8	1 FA		496 75
2	Float Collar 9 5/8	1 FA		1086 75
2	Clamp 9 5/8	1 FA		41 90
2	Centralizers 9 5/8	6 FA	131 40	788 40
2	Top Plug 9 5/8	1 FA		334 00
2	Thread Lock	2 FA	47 30	94 60
Sub Total				31,161 80
Less Discount				<22,864 70
Total				22,297 08
Tax				1,875 11
TOTAL INVOICE				34,172 19

Operator Ben Tenz

Accepted and approved by _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Royale Energy Inc. Operator Account Number: N 2465
Address: 7676 Hazard Center Drive, Suite 1500
city San Diego
state CA zip 92108 Phone Number: 619-881-2800

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-019-31526	Tenmile Canyon 22-1		NWSE NESE	22	16S	21E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	999.99	16245	6-14-07		7/23/07		
Comments: <u>ENRD</u>							CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments: 							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments: 							RECEIVED JUL 03 2007

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

DIV. OF OIL, GAS & MINING
Rachelle Wolchko
Name (Please Print)
Rachelle Wolchko
Signature
Executive Assistant 6-27-07
Title Date

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML - 46542
2. NAME OF OPERATOR: Royale Energy, Inc		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Moon Canyon
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		7. UNIT or CA AGREEMENT NAME: Ten Mile Canyon 22-1
PHONE NUMBER: (619) 881-2800		8. WELL NAME and NUMBER: 4301931526
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL		9. API NUMBER: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E		10. FIELD AND POOL, OR WILLOCAT: Grand
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 10/15/2007	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input checked="" type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Completion
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

- Cement Evaluation Log to 11,000
- Test following zones - Wingate/Entra/Cedar Mountain/Dakota Series/Castlegate/Sego - information held confidential
- Evaluate zones for fracture stimulation
- Complete most highly productive zone(s)

COPY SENT TO OPERATOR
Date: 10-24-07
Initials: pm

NAME (PLEASE PRINT) Glenn Donaldson TITLE Chief Engineer
SIGNATURE [Signature] DATE 10/4/2007

(This space for State use only)
APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS AND MINING

DATE: 10/23/07

BY: [Signature]

* If multiple formations (pools) are to be commingled
(See Instructions on Reverse Side)
a request in accordance with rule R649-3-22 shall be
Submitted and approved prior to commingling

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OCT 10 2007

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML - 46542
2. NAME OF OPERATOR: Royale Energy, Inc		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Moon Canyon
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		7. UNIT or CA AGREEMENT NAME: Ten Mile Canyon 22-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E		8. WELL NAME and NUMBER: Wildcat
		9. API NUMBER: 4301931526
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Grand
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Drilling History</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See attached Sheets

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u><i>Glenn Donaldson</i></u>	DATE <u>9/17/2007</u>

(This space for State use only)

RECEIVED
SEP 21 2007

DIV. OF OIL, GAS & MINING

Halliburton Energy Services

Final Well / Event Summary

Page 1 of 2

Legal Well Name: TEN MILE CANYON 22-1
 Common Well Name: TEN MILE CANYON 22-1
 Event Name: ORIG DRILLING Start Date: 6/15/2007 End Date: 8/16/2007

DATE	TMD	24 HOUR SUMMARY
6/14/2007	(ft)	
6/15/2007	930.0 (ft)	MIRU HOLD SAFETY MEETING. DRILL FROM 40-930'
6/16/2007	2,220.0 (ft)	DRILL FROM 930' TO 2220'
6/17/2007	2,220.0 (ft)	CONTINUE TOH WITH DRILL STRING. HYDRAULIC SYSTEM FAILURE ON RIG. DOWN 7 HOURS FOR REPAIR. FINISH TOH MAKE WIPER TRIP TO 2220' HOLE CLEAN. TIH WITH 9-5/8" CCSG & FLOAT EQUIPMENT. CEMENT CSG
6/18/2007	2,220.0 (ft)	FINISH CEMENTING SURFACE CASING. RDMO AIR DRILLING RIG AND CEMENTERS
7/8/2007	2,220.0 (ft)	RAISE DERRICK, R/U DRILL FLOOR
7/9/2007	2,220.0 (ft)	FINISH BOPE TEST, P/U BHA
7/10/2007	2,600.0 (ft)	P/U DP, CSG TEST, DRILL SHOE TRACK, FIT, DRILL, WITH SOME DOWNTIME
7/11/2007	4,004.0 (ft)	DRILL AND SURVEY FROM 2600' TO 4004'.
7/12/2007	5,001.0 (ft)	DRILL, SLIDE, RIG REPAIR, DRILL
7/13/2007	5,735.0 (ft)	DRILL TO 7" CSG. PT., CC MUD, WIPER TRIP
7/14/2007	5,735.0 (ft)	FIN POOH W/ DIR. BHA AND L/D, TIH
7/15/2007	5,735.0 (ft)	TIH, CC MUD, POOH, LOG, TIH, CC MUD, L/D DP
7/16/2007	5,735.0 (ft)	L/D DP, FINISH POOH, P/U DP, POOH, P/U BHA, TIH
7/17/2007	5,812.0 (ft)	DRILL, RIG SERVICE, DRILL, POOH, C/O BIT AND MM, TIH, WASH AND REAM TO BOTTOM
7/18/2007	6,075.0 (ft)	DRILLING CASTLEGATE, MANCOS TRANSITION ZONE, MANCOS SHALE
7/19/2007	6,100.0 (ft)	DRILL, CC MUD, ST, CC MUD, POOH, LOG, R/D
7/20/2007	6,100.0 (ft)	TIH, CC MUD, L/D DP AND BHA
7/21/2007	6,100.0 (ft)	RUN AND CMT. 7" CASING, TEST BOP, P/U BHA
7/22/2007	6,362.0 (ft)	FINISH D/P, R/D LAYDOWN EQUIP, CSG TEST, DRILL CMT, FIT, DRILL
7/23/2007	7,000.0 (ft)	DRILL, SLIDE,SURVEY, BUILD ANGLE
7/24/2007	7,526.0 (ft)	DRILL FROM 7000' TO 7526'.
7/25/2007	8,114.0 (ft)	DRILL FROM 7526' TO 8114' ACCORDING TO DIRECTIONAL PLAN.
7/26/2007	8,850.0 (ft)	DRILL FROM 8114' TO 8850' ACCORDING TO DIRECTIONAL PLAN.
7/27/2007	9,365.0 (ft)	DRILL (ROT & SLIDE) FROM 8850' TO 9365'.
7/28/2007	9,684.0 (ft)	DRILL (ROT & SLIDE) FROM 9365' TO 9684'. CIRC. POOH.
7/29/2007	9,774.0 (ft)	POOH, LD BHA, PU NEW BHA & BIT, TIH, DRILL TO 9774'.
7/30/2007	10,030.0 (ft)	MOTOR DRILL FROM 9774' TO 10030'.
7/31/2007	10,230.0 (ft)	MOTOR DRILL FROM 10030' TO 10230'.
8/1/2007	10,277.0 (ft)	DRILL TO 10277'. CIRC. POOH. L/D MM & PDC BIT. P/U TC BIT. RIH.
8/2/2007	10,395.0 (ft)	RIH W/ ROTARY ASSY AND 6-1/4" TRICONE BIT. REAMING LAST 2 STANDS TO BOTTOM. DRILL FROM 10277' TO 10395'.
8/3/2007	10,472.0 (ft)	DRILL TO 10,472 FT. WT ON CREW,RECP DP,REAM DWN 1 STND TO BTM, POOH TO CSNG SHOE.

Halliburton Energy Services
Final Well / Event Summary

Page 2 of 2

Legal Well Name: TEN MILE CANYON 22-1

Common Well Name: TEN MILE CANYON 22-1

Event Name: ORIG DRILLING

Start Date: 6/15/2007

End Date: 8/16/2007

DATE	TMD	24 HOUR SUMMARY
8/4/2007	10,472.0 (ft)	POOH TO RPR PUMPS, BIT INSP. WAITING ON PUMP PARTS.
8/5/2007	10,520.0 (ft)	TIH, TO CSNG SHOE, CIRC/COND MUDD, TIH TO BTM, REAM 2 STNDS DWN, CIC BTMS UP, DRILL
8/6/2007	10,720.0 (ft)	DRILL 6-1/4" HOLE FROM 10520' TO 10720'.
8/7/2007	10,793.0 (ft)	DRILL 6 1/4 " HOLE TO 10,173 FT,POOH, LD BHA , TEST BOP
8/8/2007	10,840.0 (ft)	RD TEST EQUIP, PU DRL CLRS,STBLZRS, BIT, TIH, CIRC/COND., REAM, DRILL 6 1/4" HOLE TO 10840'.
8/9/2007	10,926.0 (ft)	DRILL TO 10926', POOH CHECKING DP, FOUND 1 JT WASHED, LD SAME, POOH TO SURFACE CHECKING DP. RIH.
8/10/2007	10,926.0 (ft)	TIH TO BTM, CIRC, REPAIR DRILL LINE WAITING ON EQUIP, SLIP AND CUT DRILL LINE.
8/11/2007	11,085.0 (ft)	REPAIR DRILL LINE, CIRC/COND HOLE,WORK PIPE FREE DRILL AHEAD.
8/12/2007	11,168.0 (ft)	DRILL TO 11168', CIRC, PUMP FLAG, POOH FOR WASHOUT IN DP,REPAIR DRILL LINE AGAIN.
8/13/2007	11,274.0 (ft)	REPAIR DRILL LINE,DRILL 6 1/4 HOLE TO TD, CIRC,REAM,CIRC,POOH FOR LOGS.
8/14/2007	11,274.0 (ft)	POOH LOGGING, WAIT ON BAKER FOR LOGS, RU LOGGING EQUIP.
8/15/2007	11,274.0 (ft)	FINISH LOGS, TIH, CIRCULATE, SPOT PILL, START L/D DRILL PIPE
8/16/2007	11,274.0 (ft)	L/D DRILL PIPE, BHA AND RUN PRODUCTION CSG
8/17/2007	11,274.0 (ft)	CEMENT 4-1/2" PROD CSG

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Royale Energy, Inc Today's Date: 11/27/2007

Well:	API Number:	Drilling Commenced:
Ten Mile Cyn 22-1 drlg rpts/wcr	4301931526	06/13/2007

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

RECEIVED

JAN 10 2008

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML - 46542

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Moon Canyon

8. WELL NAME and NUMBER:

Ten Mile Canyon 22-1

2. NAME OF OPERATOR:

Royale Energy, Inc

9. API NUMBER:

4301931526

3. ADDRESS OF OPERATOR:

7676 Hazard Center Drive, S CITY San Diego

STATE CA

ZIP 92108

PHONE NUMBER:

(619) 881-2800

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 830' FEL & 1893' FSL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>10/24/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Initial Completion</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

- Tested and isolated two zones.
- Tested the Cedar Mountain at 60 MCFPD.

NAME (PLEASE PRINT) Glenn DonaldsonTITLE Chief Engineer

SIGNATURE

W B DonaldsonDATE 1/7/2008

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	5. LEASE DESIGNATION AND SERIAL NUMBER: ML - 46542
2. NAME OF OPERATOR: Royale Energy, Inc	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108	7. UNIT or CA AGREEMENT NAME: Moon Canyon
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL	8. WELL NAME and NUMBER: Ten Mile Canyon 22-1
PHONE NUMBER: (619) 881-2800	9. API NUMBER: 4301931526
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E	10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Grand	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 2/15/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well will be re-entered for retesting the Entrada over the interval 10440 - 10800'. Based on results the well may be additionally tested in the Dakota group over the interval 9484 - 9760' and the Mancos B interval 9100 - 9480'.

It is possible that commingled production will be required for production. Commingled zones may include Mancos B, Dakota and Cedar Mountain. All commingled production will be in accordance with rule R649-3-22.

COPY SENT TO OPERATOR

Date: 1-24-2008

Initials: KS

NAME (PLEASE PRINT) Glenn Donaldson TITLE Chief Engineer
SIGNATURE Glenn Donaldson DATE 1/7/2008

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 1/22/08

BY: [Signature]
* IF applicable, An application in accordance with R649-3-22 shall be submitted and approved prior to commingling.

NOTICE OF LATE REPORTING DRILLING & COMPLETION INFORMATION

Utah Oil and Gas Conservation General Rule R649-3-6 states that,

- Operators shall submit monthly status reports for each drilling well (including wells where drilling operations have been suspended).

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Royale Energy, Inc. Today's Date: 04/21/2008

Well:	API Number:	Drilling Commenced:
Ten Mile Cyn 22-1	4301931526	06/13/2007
Trail Cyn 1-2	4301931532	08/07/2007

☐ List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please contact Rachel Medina
at (801) 538-5260.

cc: Well File
Compliance File

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML - 46542
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3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		7. UNIT or CA AGREEMENT NAME: Moon Canyon
PHONE NUMBER: (619) 881-2800		8. WELL NAME and NUMBER: Ten Mile Canyon 22-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E		9. API NUMBER: 4301931526
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

No further work has been performed on this well due to weather conditions. This well is on hold until further notice.

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u></u>	DATE <u>4/28/2008</u>

(This space for State use only)

RECEIVED

APR 30 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

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4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E		8. WELL NAME and NUMBER: Ten Mile Canyon 22-1
		9. API NUMBER: 4301931526
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Grand
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 6/15/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Add perforations to Dakota formation 9605-9622'

This new interval will be commingled with Cedar Mountain perforations (9645-9729'). Allocation of production will be done with cased hole production logs (spinner surveys) where applicable.

COPY SENT TO OPERATOR

Date: **6-26-2008**

Initials: **KS**

NAME (PLEASE PRINT) Glenn Donaldson	TITLE Chief Engineer
SIGNATURE <i>Glenn Donaldson</i>	DATE 6/5/2008

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**
DATE: **6/25/08**
BY: *[Signature]*

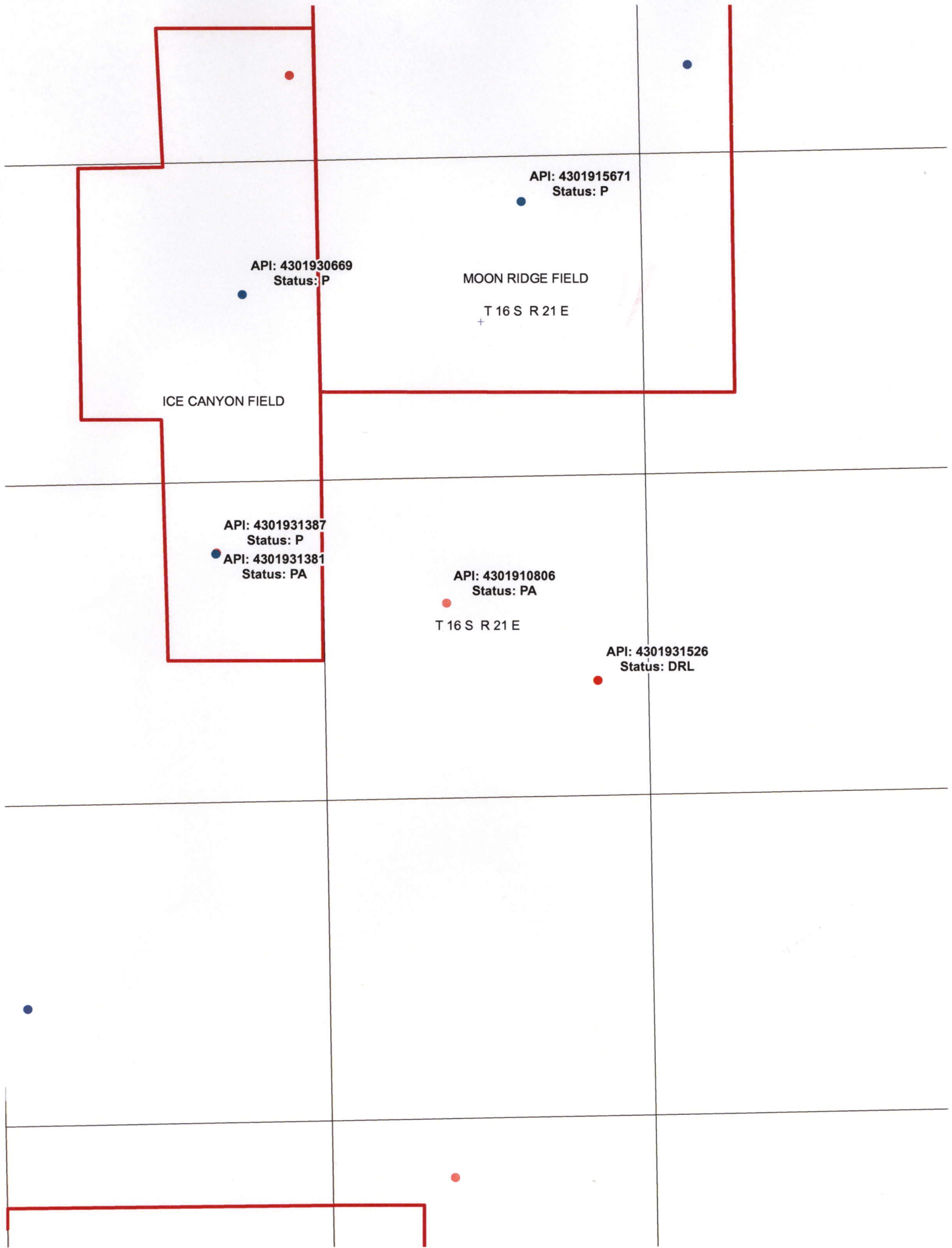
(See Instructions on Reverse Side)

(5/2000)

RECEIVED

JUN 09 2008

DIV. OF OIL, GAS & MINING



API: 4301915671
Status: P

API: 4301930669
Status: P

MOON RIDGE FIELD
T 16 S R 21 E

ICE CANYON FIELD

API: 4301931387
Status: P
API: 4301931381
Status: PA

API: 4301910806
Status: PA
T 16 S R 21 E

API: 4301931526
Status: DRL

From: "Rachele Wolchko" <rachele@royl.com>
To: <HMACDONALD@utah.gov>
Date: 06/25/2008 11:03 AM
Subject: Tenmile Canyon 22-1
Attachments: Scan001.pdf; Moon Canyon Map with Leases & Wells 2008-2.pdf

Helen

Per our conversation last week; attached are the following items for our Sundry Notice.

Also we have not done a Spinner Survey.

If you need anything else please let me know.

Rachele Wolchko

Executive Assistant & Gas Scheduler

Royale Energy, Inc

7676 Hazard Center Drive

Suite 1500

San Diego, CA 92108

619-881-2874

ROYALE ENERGY, INC.



June 24, 2008

Utah Division of Oil, Gas & Mining
1594 West North Temple Ste. 1210
Box 145801
Salt Lake City, UT 84114-5801

Re: Ten Mile Canyon Well

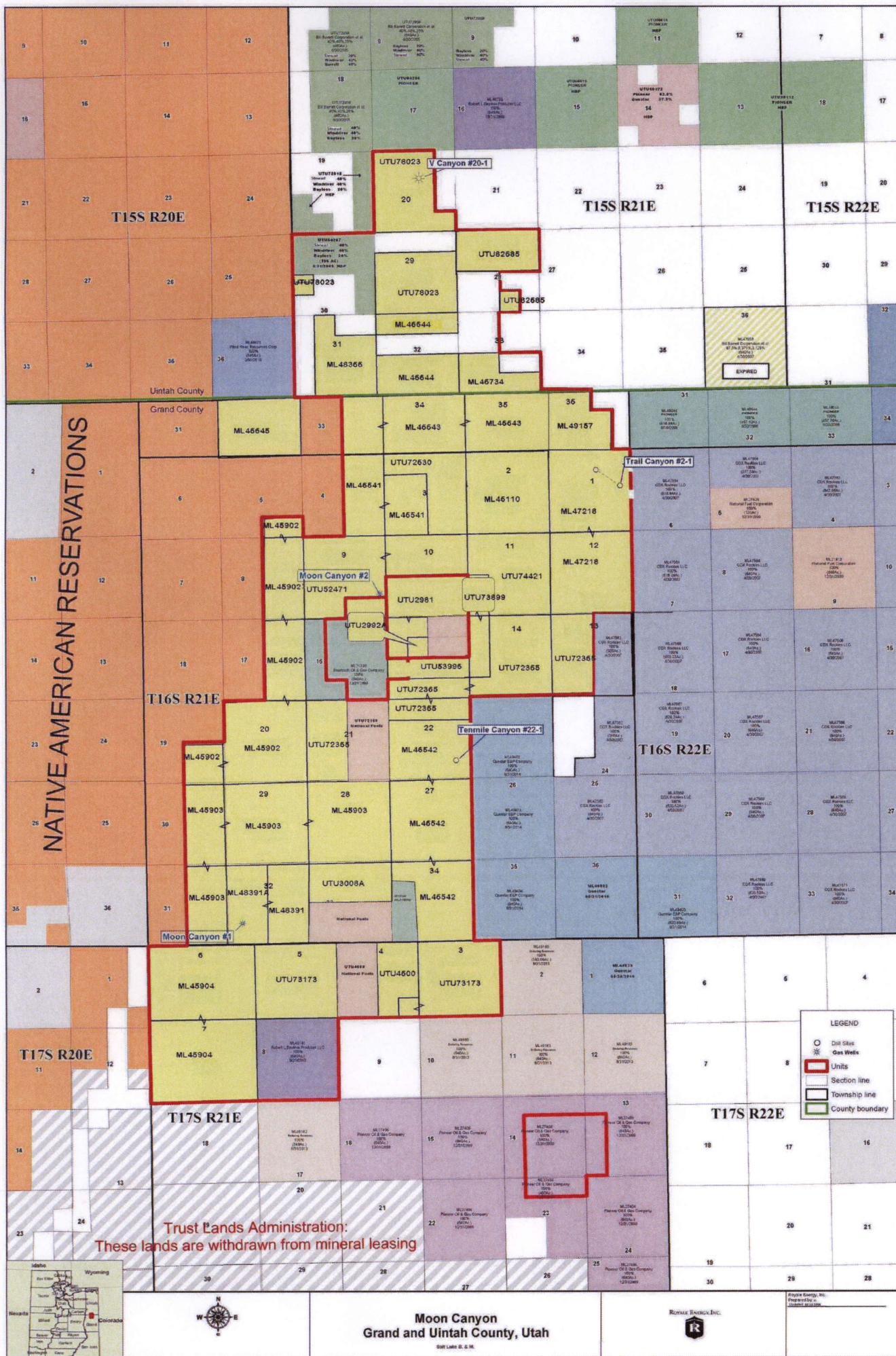
Dear Helen Sadik-McDonald,

The leases covering the acreage that the Ten Mile well is located on are owned by the State of Utah. SITLA was notified of all operations taking place on their lease.

If you have any questions or concerns, please contact me at 619-881-2800.

Sincerely,

Somchay Sisoukraj
Lease Records and Division Order Analyst



NATIVE AMERICAN RESERVATIONS

Trust Lands Administration:
These lands are withdrawn from mineral leasing

Moon Canyon
Grand and Uintah County, Utah

ROPER ENERGY, INC.
R

Propane Energy, Inc.
Propane Energy, Inc.
Propane Energy, Inc.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML - 46542
2. NAME OF OPERATOR: Royale Energy, Inc		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		7. UNIT or CA AGREEMENT NAME: Moon Canyon
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL		8. WELL NAME and NUMBER: Ten Mile Canyon 22-1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E		9. API NUMBER: 4301931526
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

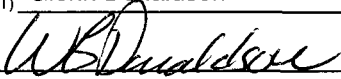
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/16/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Added additional perforations in Dakota for commingling of Cedar Mountain and Dakota. Well would not unload. Made three swab runs. Well unloaded for a short time. Flow ceased. Well Shut in.

New Perforations added: 9605-9622 4 SPF 1 9/16" Dakota Formation.

Last test rate: 41 MCFPD FTP = 340 SICP = 400

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u></u>	DATE <u>1/07/08</u>

(This space for State use only)

RECEIVED**JUL 07 2008****DIV. OF OIL, GAS & MINING**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 5

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

RECEIVED

JUL 18 2008

DIV. OF OIL, GAS & MINING

LEASE NAME: Moon Canyon Unit

LEASE NUMBER: _____

and hereby designates

NAME: William "Bill" Ryan & Ginger Bowden

ADDRESS: 290 South 800 East

city Vernal state UT zip 84078

as his (check one) agent ☒ / operator ☐, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

API: 4301931398 Moon Canyon #1

API: 4301931405 Moon Canyon #2

API: 4301931526 Tenmile Canyon #22-1 See 22, T16S R21E

API: V Canyon 20-2

CONFIDENTIAL

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: July 8, 2008

BY: (Name) Stephen Hosmer

(Signature) 

(Title) CFO/Executive Vice President

(Phone) (619) 881-2800

OF: (Company) Royale Energy, Inc

(Address) 7676 Hazard Center Dr, Suite 1500

city San Diego

state CA zip 92108

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Royale Energy, INC

3. ADDRESS OF OPERATOR:
7676 Hazard Center, Suite 11 CITY San Diego STATE CA ZIP 92108

PHONE NUMBER:
(619) 881-2800

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1893' FSL & 830' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-46542

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
MOON CANYON

8. WELL NAME and NUMBER:
Ten Mile Canyon 22-1

9. API NUMBER:
43-019-31526

10. FIELD AND POOL, OR WILDCAT:
undesignated

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
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<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The operator respectfully requests approval for the following perf intervals on the subject well:

Zone 1

Perf interval: 9605'-9622', .38" hole, 4 SPF
Dakota formation

Zone 2

Perf interval: 9,488'-9497', .38" hole, 4 SPF
Dakota Silt formation

COPY SENT TO OPERATOR

Date: 8.14.2008

Initials: KS

NAME (PLEASE PRINT) Ginger Bowden

TITLE Agent

SIGNATURE

Ginger Bowden

DATE

7/29/2008

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE 8/12/08

BY: *D. Smith*

* Form 8 - Well Completion Report should be submitted

RECEIVED

JUL 31 2008

DIV. OF OIL, GAS & MINING

UTAH DIVISION OF OIL, GAS AND MINING

NOTICE OF REPORTING PROBLEMS

Operator: Royale Energy, Inc Account: N2465 Today's Date: 10/23/2008

Problems:

- ☒ Late Report(s)
☐ Inaccurate Report(s)
☐ Incomplete Report(s)
☐ Other: _____

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

To avoid compliance action, these reporting problems should be resolved within 7 days.

Send reports to:

Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 P.O. Box 145801
 Salt Lake City, Utah 84114-5801

Fax to:

(801) 359-3940

22-165 212

Type of Report	Month(s) of Problem Report		
<input type="checkbox"/> Production – Form 10 <input type="checkbox"/> Disposition – Form 11 <input type="checkbox"/> Gas Plant – Form 13 <input type="checkbox"/> Enhanced Recovery – UIC Form 2 <input type="checkbox"/> Injection – UIC Form 3 <input type="checkbox"/> Other _____			
Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
<input type="checkbox"/> Spud Notice – Form 9 <input checked="" type="checkbox"/> Drilling Reports – Form 9 <input type="checkbox"/> Well Completion Report – Form 8 <input type="checkbox"/> Other _____	Ten Mile Cyn 22-1 Trail Cyn 1-2 <input checked="" type="checkbox"/> List Attached	4301931526 4301931532	06/13/2007 08/07/2007

Description of Problem:

Per R649-3-6 2.4 The operator shall submit a monthly status report for each drilling well on Form 9, Sundry Notice and Reports on Wells. The report should include the well depth and a description of the operations conducted on the well during the month.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File
 RAM
 Well File
 CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Royale Energy, Inc

3. ADDRESS OF OPERATOR:

7676 Hazard Center Drive, S CITY San Diego

STATE CA

ZIP 92108

PHONE NUMBER:

(619) 881-2800

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML - 46542

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Moon Canyon

8. WELL NAME and NUMBER:

Ten Mile Canyon 22-1

9. API NUMBER:

4301931526

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 830' FEL & 1893' FSL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☒ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: Testing & evaluating
awaiting comp of other zones

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please see attached reports

NAME (PLEASE PRINT) Mohamed Abdel-Rahman

TITLE VP of Exploration

SIGNATURE

Mohamed Abdel-Rahman

DATE

10/28/2008

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Tenmile Canyon 22-1 – Workover Summary

8/26/08

Move in Stone Well Service. Opened well to pit. Well blowing to pit over night.

8/27/08

Well blow dead over night. Pumped 20bbls down tbg. N/D well head N/U BOP. Rigged up floor and TOO H w/291 jts 2 3/8 tbg, nx nibble, no go. 1 jt 2 3/8 tbg and mule shoe. Tallied tbg as tbg was TOO H. R/U wireline truck and RIH w/gauge ring. PU RBP & RIH. Ran correlation strip and set RBP @ 9628'. POOH. Rigged up pump and loaded hole w/125bbls. 150bbls csg volume. Pressred up to 2050psi and perfs broke. Pumped 5bbls @ 4bbls/min @ 2000psi. ISIP 2000, 1 min 1600psi, 5 min 900psi, 10 min 600psi, 15 min 40 psi. RD wireline truck.

8/28/08

R/U Superior Well Service. Well on vac. Load hole 28 bbl (2000'). Could not see break. Pump 20 bbl @ 2450 psi 5.4 bpm. Didn't see more breaks. ISIP 2109 5min, 1274 10min 959, 15min 762. R/D Superior. PU retrieving tool arrowset pkr PSN & tbg. RIH set pkr @ 9545'. Pressure test backside 4500 psi. RU swab one run 1 fl surface. Pull from 2000. Recover 7.5 bw. SD for holiday.

8/29/08 – 9/1/08

No activity.

9/2/08

IFL 1800 FFL 9540. Make 10 swab runs. Recover 29 bw. Last 2 runs could smell trace of gas while pulling. No flow after swab. Left open to tank overnight.

9/3/08

Well open to pit over night. No Flow. Made 9 swab runs. IFL 6800'. FFL 9250'. Recovered 5.5bbls in first run and no fluid on the next 6 runs. Recovered 1 bbl on swab run 8 & 9. Water sample has what appears to be drilling mud. Solids are gray, sticks to the side of the bottle.

9/4/08

Open well to tank. Well blew down from 145 to zero in 5min. RU to swab. IFL @ 7500'. Gas cut foam. Recovered 1.5bbls on first swab run. Make 6 swab runs. Did not recover more than a trace of fluid after the first run. Loaded tbg w/20 bbls and released packer. TOO H w/tbg and packer.

9/5/08

RU Cased Hole Solutions. RIH & perfed 9605-9622' (17') 4 SPF, 68 holes, 23 gram, .36" hole, 35.5" pen. No pressure increase. RD wireline. TIH w/2 3/8" tbg & arrow set pkr. Set pkr @ 9526' in compression. Tested pkr to 3000psi test held. RU swab and made 6 swab runs. Starting IFL 1000'. FFL 9515'. Recovered 33 bbls in 5 runs. Run 6 no fluid recovery. Tbg volume 33bbls.

9-6-08 – 9-7-08

No activity.

9/8/08

Made 9 swab runs. Recovered 17 bbls. Water with gray mud in water. Swabbed well down. Well made one bbl.

9/9/08

Blew well down. RU to swab IFL 8400'. Well swabbed dry in three runs. Made swab run every hour on the hour. Last three swab runs had a slight blow after each run. Water sample still has light gray solids after sample sets for an hour. Recovered total of 3.7bbls. All load pumped into the formation has been recovered.

9/10/08

Blew well down. RU to swab. IFL 8400'. Recovered 2.75 bbls on first rub. Make one run every 2 hours. Recovered 1 bbl in 4 runs. Light blow after each run. Total fluid recovered 3.75 bbls.

9/11/08

Well blew down. RU to swab IFL 8600'. FFL 9400'. SN 9515'. Made 5 runs one every 2 hours. Recovered 1.8 bbls on first run and 1 bbls total from the next 4.

9-12-08 – 9-14-08

No activity

9/15/08

RU Superior Well Service. Frac well. Well took 20 bbls to load the hole. Pumped 2000 gal SI. 15 min leak off 510 psi. Frac grad .66. Frac well with 72220 # 20/40 resin coated sand. 30 quality foam. 425 mscf N2. 1063 bbls to recover. ISIP 2100. AVG injection rate 24.5bbls/min. Max press 4100 psi. Avg pressure 4000 psi. Opened well to pit on 12/64 @ 1650 psi.

9/16/08

Well flowed all day. Pressure dropped from 650psi to 425psi. Gas will not burn. Recovered a total of 40 bbls 595 bbls to recover. Well flowed all night pressure decreased to 250psi. Well unloaded 79bbls fluid overnight. Avg 5.6bbls/hr. Well flowed on 12/64 choke, dry gas measurement 200mcf/d. Will kill the well and TIH with tbq. Total to recover 516 bbls.

9/17/08

Flowing on 12/64 choke 210 mcf/d N2. Recovered 79 bbls in 14 hrs. Blow well to pit. Kill well with 20 bbls water. ND frac NU BOP & tbq equipment. RIH with tbq land @ 9551 KB. ND BOP NU tree. Make 1 swab run IFL 1200. Pull from 2500'. Flowed 1 hr. Well died. Made total of 5 swab runs. Recovered 65 bbls. Flowing on 12/64 choke csg pressure 200 psi. SDFN.

9/18/08

Opened well to flow back tank. Well blew dead in 1 hr. RU and made 5 swab runs. Well kicked off. Well flowing to flow back tank. Make sinker bar run. Tagged sand @ 9610'. Perfs @ 9605-9622'. Made 55 bbls water, load to recover 526. Placed well on 12/64 choke. Gas will burn.

9/19/08

Rigging down and moving off location. Well made 205 bbls of water in 15hrs. Csg 400 psi tbg 175 psi. 200 mcf on 12/64 choke. Load to recover 191 bbls.

9/20/08

Well flowed all night, water zero. Well flowed all day. Csg pressure 350psi, tbg pressure 130 psi on 12/64 choke. Well made 16 bbls, LTR 107 bbls. Shut well in for pressure build up.

9/21/08

Well shut in for the last 24 hrs.

9/22/08

Well shut in for the last 24 hrs. WO rig will move back to location. Will open the well to pit.

9/23/08

MO & RU spot equipment RU pump lines. Flow test well all day. Left to tank overnight. Csg 1550 tbg 1550 initial. Csg 400 tbg 100 final 100mcf/d. Final mcf 90 water recovered 18 bbls. LTR 157 bbls.

9/24/08

Kill well with 40 bw. ND tree NU BOP floor & tongs. RU foam unit. Break circulation. Clean up hole. Wash sand from 9624-9629'. Solid on iron. Clean up hole. Lay down swivel jt. Pump 5 bw down tbg. Pull string float. Pull one strand tbg approx 9557. RU swab. IFL 3400 FFL 4000 blow after swab. Swab 12 bbl. Shut well in for night.

9/25/08

Open to pit. Land tbg. Well kicked off. Pump 5 bbls. ND tools & BOP. Install tree. IFL 3500. FFL 4800. Rec. 22 bbl. Well kicked off. Rec. 9 bbl. Left flow on 12/64 choke.

9/26/08

Well died. Opened to tank on 12/64 choke. 925psi on tbg and 1000 psi on csg. Flowed all day. Left well flowing. Initial mcf 300 final mcf 80. No sand. Recovered 5 bw.

9/27/08

Flow well. Avg csg 750psi and tbg 70 psi. Recovered 2 bw.

9/28/08

Well flowed overnight. Made 1.5 bbl water. Pull choke. Open to tank. Dead. 1.5 hrs unloaded 10 bw. Put back choke. Csg 500 tbg 175 choke 12/64. Csg stabilized @ 500 psi tbg from 100 to 70 mcf 80.

9/29/08

RU Tefteller wireline. Make dummy run to 9561 XN nipple. Run & set pressure recorders @ 9561. POOH. Recorders on bottom @ 1213. Put well to flowing. SD crews off.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML - 46542
2. NAME OF OPERATOR: Royale Energy, Inc		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		7. UNIT or CA AGREEMENT NAME: Moon Canyon
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL		8. WELL NAME and NUMBER: Ten Mile Canyon 22-1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E		9. API NUMBER: 4301931526
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/18/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

drilling / workover
Please see attached workover history from 10/1/08 - 11/18/08

NAME (PLEASE PRINT) Mohamed Abdel-Rahman	TITLE VP of Exploration
SIGNATURE _____	DATE <i>Mohamed Abdel-Rahman</i> 12/1/08

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(See Instructions on Reverse Side)

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DIV. OF OIL, GAS & MINING

Tenmile Canyon 22-1 – Workover Summary

10/1/08 -10/3/08

Not activity

10/4/08

Tbg pressure was 65psi and csg 600psi. Well did not make water. Shut well in. Started rigging down.

10/5/08

Moving BOP, tank & Pump off location. Shut in pressure tbg 965psi and csg 1225psi.

10/16/08

Well open to tank on 12/64 choke. Move rig in. RU & spot equip. Prep to kill well.

10/17/08

Bleed off well. Pump 42 bbl 3% down tbg. ND tree NU BOP floor & tbg equip. POOH w/tbg. PU retrieving head. Wash over & latch onto RBP. POOH 80 stands. SDFN.

10/18/08

Blow well down. Finish POOH lay down RBP. RU cutters wireline. Set RBP @ 9415'. Test RBP to 4000psi. okay. **Perforate 9355-9357'** w/8 .32 squeeze holes. RD cutters. RIH with tbg to 9300'. Inject into squeeze holes 1.5bbl per min @ 3300psi. ISIP 2000 5 min, 1700 10 min, 1600 15min 1550. Bleed off pressure. SDFN.

10/19/08

Fill fresh water tank. Prep for squeeze tomorrow.

10/20/08

Started hauling frac water. Set one more frac tank. Prep to squeeze tomorrow.

10/21/08

Rig up ProPetro balance. 120 sks premium G cmt with additives EOT 9335. POOH 500' above cmt. Reverse out no cmt to pit. Squeeze cmt away starting @ 1 bpm @ 1800psi. Staged once with 19 bbl away @ 3000psi. 20 bbl thru perfs 4000psi solid. 15 min no leak off 5 bbl black no flow. RD Pro hold 1000psi 1 hr. Release pressure POOH. 40 bbl cmt in csg aprox 250'.

10/22/08

Unload packer swivel & collars. Get sub. PU bit & collars. RIH to 9000'. RU swivel.

10/23/08

Lay down 10 singles. Finish RIH. Tag 9102 first jt mushy. Drill cmt to 9358 stringers to 9402. Sandy bottom. Clean up string. Start POOH.

10/24/08

Finish POOH. ND BOP NU frac valve & BOP. RU Black Warrior Wireline. Bond log squeeze TOC 9038. Bond good enough to perf. **Perf 9255-65', 9315-25', 9345-55' 4 SPF.** All guns shot. No increase in pressure. RD wireline. SDF weekend.

10/27/08

Move drillers controls & platform. PU pkr. RIH. Set pkr @ 9214' with 15000# compression. Break down perfs at 9255-9355'. Broke @ 4500 ½ bpm @ 3800psi. ISIP 3200 5 min 2650 10 min 2600 15 min 2600. Bleed off. RU swab. IFL at surface, swab straight to bottom in 6 runs. SN at ~9200. Recover 44 bbl. Load was 36. Had 8 bbl entry. Slight gas blow.

10/28/08

RU to swab. Made 10 swab runs. IFL 9175, FFL 9210. Recovered total of 1.5 bbls.

10/29/08

Make 1 swab run IFL 8500 FFL 9210. Pull ¼ bbl water. RD swab. Release pkr. POOH with tbg & pkr. RD floor tbg equip. ND BOP. RU floor prep to frac. Superior set sand master. Heat frac water.

10/30/08

RU Superior. Waiting to frac.

10/31/08

Finish RU Superior. Load hole 38 bbls. Get inj rate. ISIP 2700 5 min 2455 10 min 2417 15 min 2358 Frac grad .73. Start frac ARO 38 bpm 5900 psi. Screened out w/150 sk sand thru perfs 8000 psi. Started flowing back. 12/64 choke, Rec 221 bw, LTR 969, sand all night, started to get light sand, continue to flow. Will try to re-frac tomorrow.

11/1/08

RU Superior Well Service. Load hole pump pad 38 bpm @ 1100 psi. Start sand, sand on perf 8000 psi. Stop, try to pump 1 -2 bpm to clear pipe no go. SD. RD Superior. Open well to pit. Total 180 sk sand thru perfs. LTR 1583.

11/2/08

Well flowing @ 120 psi on 12/64 choke. Open choke. Pull well down. Pump 20 bbl KCL. ND frac valve. NU BOP and tbg equip. Start RIH w/tbg and notched collar. Kill well as necessary and RIH. Tag @ 9316'. POOH above perfs. SDFN. Left tbg flow to tank on 12/64 choke. Will clean out tomorrow.

11/3/08

Blow well down. Load csg. Tag bottom after sand falling all night PBTD 9289. Wash sand to 6405. Tag solid. Torque and builds pump pressure. Pulled to 9189. Lay down swivel. RU swab 6 runs. Recover 56 bw. SDFN.

11/4/08

Open to pit on 48/64 choke. When unloaded, put to tank on 20/64 choke. 640 csg 180 ftp. Recover 65 bw LTR 1587.

11/5/08

Flow test.

11/6/08

Flow test.

11/7/08

Shut in. Tbg dead Csg 50 psi.

11/8/08

SICP 950 SITP 450. Well blow down and swab.

11/9/08

Gauge on tbg was broken. Blow well down unloaded 5 bbls. Put on 16/64 choke. Kept losing pressure. Went to 8/64 choke. Csg 220 psi FTP 150 psi 60 MCF. Total of 7 ½ bw.

11/10/08

Flow test. RU swab. Used sinker bar to check for sand fill up. Tag SN @ 9189. Tag PBTB @ 9390. Bottom perf 9355. RBP @ 9405 pipe measurement. Open well over night. Prep to POOH & PU retrieving head and pull RBP @ 9405.

11/11/08

Well dead. POOH with tbg and notched collar. Make up retrieving tool. RIH. Load hole and wash over fishing neck of RBP. Did not act right. POOH no RBP.

11/12/08

Blow down well. RIH with new retrieving tool. Worked tools hard while circulating, still unable to latch on to plug. Recover some resin coated frac sand bonded together. Sand is very hard and is on top of retrieving neck of RBP. POOH, PU rock bit. Will attempt to drill sand off the top of the RBP. TIH on bottom rigged up to drill sand.

11/13/08

Tag hard sand Drill to 9405. Wash sand to 9415. Clean up tbg. POOH lay down bit PU retrieving tool. RIH. Wash over fishing neck. Equalize fluid. Release RBP. Start POOH.

11/14/08

Finish POOH lay down RBP. RIH with NC, 21 jt XN nipple, tbg. Land tbg @ 9563. ND BOP NU wellhead. RU swab.

11/15/08

Blow well down. RU swab 20 runs. Recover 126 bw. Well tried to flow intermittently.

11/16/08

IFL 5500 Made 13 swab runs. Flowed intermittently. Recover 51.1 bw.

11/17/08

Blow well down 10 min IFL 7375 FFL 9530. Total fluid recovered today 32 bbl. 18 swab runs. Blow after run. No flow.

11/18/08

Drop 6.5 soap sticks down tbg. Left well Shut in. RDMO. Fill reserve pit.

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

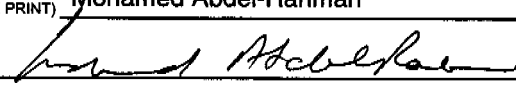
FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML - 46542
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Moon Canyon
2. NAME OF OPERATOR: Royale Energy, Inc		8. WELL NAME and NUMBER: Ten Mile Canyon 22-1
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: 4301931526
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E		COUNTY: Grand
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Tenmile Canyon 22-1 went on production 12/25/08

NAME (PLEASE PRINT) <u>Mohamed Abdel-Rahman</u>	TITLE <u>VP of Exploration</u>
SIGNATURE <u></u>	DATE <u>1/26/09</u>

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JAN 29 2009

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46542
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: Royale Energy, Inc		7. UNIT or CA AGREEMENT NAME Moon Canyon
3. ADDRESS OF OPERATOR: 7676 Hazard Cente Drive CITY San Diego STATE CA ZIP 92108		8. WELL NAME and NUMBER: Tenmile Canyon 22-1
PHONE NUMBER: (619) 881-2800		9. API NUMBER: 019-31526
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1893' FSL, 830' FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: Same AT TOTAL DEPTH: Same 1885 fsl 765 fel per HSM review		10 FIELD AND POOL, OR WILDCAT Wildcat
		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E
		12. COUNTY Grand
		13. STATE UTAH

14. DATE SPURRED: 6/14/2007	15. DATE T.D. REACHED: 8/12/2007	16. DATE COMPLETED: 11/18/2008	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): GL 7879 KB 7904
18. TOTAL DEPTH: MD 11,274 TVD 11,268.9	19. PLUG BACK T.D.: MD 11,078 TVD 11,074.3	20. IF MULTIPLE COMPLETIONS, HOW MANY? * 1 zone		21. DEPTH BRIDGE MD 10,870 PLUG SET: TVD 10,690
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) GR/Neutron/Density/Cement Bong Log HDL, Cal, mud				23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4	9 5/8 J-55	36	0	2,000		370SX	84	Surface	
8 3/4	7 N-E	23	0	6,085		710SX	161	3420	
6 1/4	4 1/2 P-1	11.6	0	11,127	8,696	627SX	138	4920	
						POZ M			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8	9.519							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Cedar Mtn	9,654	9,729	9,648	9,723	10,904 10,966	2 3/4	4	Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Dakota C	9,605	9,622			10,721 10,729	1 11/16	4	Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Mancos perfs	9,255	9,355			9,654 9,729	2 3/4	6	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D) core not in mins					9,605 9,622			Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
Additional Perforations	9255-9355 open

29. ENCLOSED ATTACHMENTS:

- ☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS:

Producing

RECEIVED

FEB 18 2009

DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 12/26/2008		TEST DATE: 10/29/2007		HOURS TESTED: 7.5		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 60	WATER – BBL: 0	PROD. METHOD: Natural Flow
CHOKE SIZE: 20/64	TBG. PRESS. 10	CSG. PRESS. 20	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 39	WATER – BBL: 0	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 12/26/2008		TEST DATE: 9/18/2008		HOURS TESTED: 8.5		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 70	WATER – BBL: 5	PROD. METHOD: Natural Flow
CHOKE SIZE: 12/64	TBG. PRESS. 600	CSG. PRESS. 800	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 45	WATER – BBL: 0	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED: 12/26/2008		TEST DATE: 11/16/2008		HOURS TESTED: 8		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 270	WATER – BBL: 4	PROD. METHOD: Natural Flow
CHOKE SIZE: 32/64	TBG. PRESS. 50	CSG. PRESS. 380	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 174	WATER – BBL: 0	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Vented

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Entrada	10,722
				Cedar Mtn	9,632
				Dakota Sand	9,599
				Dakota Silt	9,488
				Mancos B	5,870
				Castlegate	5,726
				Sego	5,320

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Mohamed AbdelRahman

TITLE VP of Exploration & Production

SIGNATURE

DATE

2/12/09

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
Fax: 801-359-3940

43-019-31526

22 lbs 21e

Royale Energy, Inc.

Grand County, Utah

Ten Mile Canyon #22-1

Ten Mile Canyon #22-1

Original Hole

Survey: As Drilled

Standard Survey Report

07 August, 2007

Nevis

Survey Report

Company: Royale Energy, Inc.	Local Co-ordinate Reference: Well Ten Mile Canyon #22-1
Project: Grand County, Utah	TVD Reference: WELL @ 0.0ft (Original Well Elev)
Site: Ten Mile Canyon #22-1	MD Reference: WELL @ 0.0ft (Original Well Elev)
Well: Ten Mile Canyon #22-1	North Reference: True
Wellbore: Original Hole	Survey Calculation Method: Minimum Curvature
Design: Original Hole	Database: EDM 2003.14 Single User Db

Project	Grand County, Utah, Sec. 22, T16S, R21E		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Northern Zone		

Site	Ten Mile Canyon #22-1		
Site Position:		Northing:	2,946,472.27 ft
From:	Lat/Long	Easting:	2,182,584.97 ft
Position Uncertainty:	0.0 ft	Slot Radius:	"
		Latitude:	39° 23' 57.390 N
		Longitude:	109° 34' 56.160 W
		Grid Convergence:	1.26 °

Well	Ten Mile Canyon #22-1		
Well Position	+N/-S	0.0 ft	Northing: 2,946,472.27 ft
	+E/-W	0.0 ft	Easting: 2,182,584.97 ft
Position Uncertainty	0.0 ft	Wellhead Elevation:	ft
		Latitude:	39° 23' 57.390 N
		Longitude:	109° 34' 56.160 W
		Ground Level:	7,879.0 ft

Wellbore	Original Hole				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	6/1/2007	11.52	65.46	52,449

Design	Original Hole				
Audit Notes:					
Version:	1.0	Phase:	ACTUAL	Tie On Depth:	
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)	
	0.0	0.0	0.0	90.00	

Survey Program	Date	8/7/2007			
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description	
2,190.0	10,793.0	As Drilled (Original Hole)			

Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00	
2,190.0	1.00	286.30	2,189.9	5.4	-18.3	-18.3	0.05	0.05	0.00	
2,285.0	1.00	282.90	2,284.9	5.8	-19.9	-19.9	0.06	0.00	-3.58	
2,380.0	0.50	277.40	2,379.9	6.0	-21.2	-21.2	0.53	-0.53	-5.79	
2,476.0	0.70	277.80	2,475.9	6.2	-22.2	-22.2	0.21	0.21	0.42	
2,572.0	0.50	274.30	2,571.9	6.3	-23.2	-23.2	0.21	-0.21	-3.65	
2,668.0	0.50	292.20	2,667.9	6.5	-24.0	-24.0	0.16	0.00	18.65	
2,762.0	0.70	263.50	2,761.8	6.5	-24.9	-24.9	0.38	0.21	-30.53	
2,858.0	1.00	270.80	2,857.8	6.5	-26.3	-26.3	0.33	0.31	7.60	
2,954.0	1.10	274.70	2,953.8	6.6	-28.1	-28.1	0.13	0.10	4.06	
3,048.0	0.80	272.00	3,047.8	6.7	-29.6	-29.6	0.32	-0.32	-2.87	
3,143.0	1.10	283.50	3,142.8	6.9	-31.2	-31.2	0.37	0.32	12.11	
3,238.0	1.90	275.10	3,237.8	7.3	-33.7	-33.7	0.87	0.84	-8.84	

Nevis

Survey Report

Company:	Royale Energy, Inc.	Local Co-ordinate Reference:	Well Ten Mile Canyon #22-1
Project:	Grand County, Utah	TVD Reference:	WELL @ 0.0ft (Original Well Elev)
Site:	Ten Mile Canyon #22-1	MD Reference:	WELL @ 0.0ft (Original Well Elev)
Well:	Ten Mile Canyon #22-1	North Reference:	True
Wellbore:	Original Hole	Survey Calculation Method:	Minimum Curvature
Design:	Original Hole	Database:	EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,334.0	1.70	274.20	3,333.7	7.5	-36.7	-36.7	0.21	-0.21	-0.94
3,427.0	1.30	275.70	3,426.7	7.7	-39.1	-39.1	0.43	-0.43	1.61
3,523.0	1.30	271.60	3,522.7	7.9	-41.3	-41.3	0.10	0.00	-4.27
3,619.0	1.40	276.10	3,618.6	8.0	-43.5	-43.5	0.15	0.10	4.69
3,715.0	1.30	268.10	3,714.6	8.1	-45.8	-45.8	0.22	-0.10	-8.33
3,810.0	1.00	264.30	3,809.6	8.0	-47.7	-47.7	0.33	-0.32	-4.00
3,906.0	1.10	262.90	3,905.6	7.8	-49.4	-49.4	0.11	0.10	-1.46
4,002.0	1.10	247.60	4,001.6	7.3	-51.2	-51.2	0.31	0.00	-15.94
4,098.0	1.20	257.10	4,097.5	6.7	-53.0	-53.0	0.22	0.10	9.90
4,194.0	0.50	246.60	4,193.5	6.3	-54.4	-54.4	0.74	-0.73	-10.94
4,290.0	0.40	277.30	4,289.5	6.2	-55.1	-55.1	0.27	-0.10	31.98
4,386.0	0.50	254.20	4,385.5	6.2	-55.8	-55.8	0.21	0.10	-24.06
4,481.0	0.40	205.00	4,480.5	5.7	-56.4	-56.4	0.41	-0.11	-51.79
4,576.0	0.70	200.90	4,575.5	4.9	-56.7	-56.7	0.32	0.32	-4.32
4,671.0	0.70	213.30	4,670.5	3.9	-57.2	-57.2	0.16	0.00	13.05
4,767.0	0.80	193.20	4,766.5	2.7	-57.7	-57.7	0.29	0.10	-20.94
4,862.0	0.70	198.80	4,861.5	1.5	-58.1	-58.1	0.13	-0.11	5.89
4,958.0	0.20	232.30	4,957.5	0.9	-58.4	-58.4	0.57	-0.52	34.90
5,054.0	0.50	260.70	5,053.5	0.7	-58.9	-58.9	0.35	0.31	29.58
5,149.0	1.00	222.50	5,148.5	0.0	-59.9	-59.9	0.72	0.53	-40.21
5,245.0	1.00	213.30	5,244.5	-1.3	-60.9	-60.9	0.17	0.00	-9.58
5,341.0	0.90	212.70	5,340.4	-2.6	-61.8	-61.8	0.10	-0.10	-0.62
5,437.0	0.60	205.40	5,436.4	-3.7	-62.4	-62.4	0.33	-0.31	-7.60
5,533.0	0.60	164.50	5,532.4	-4.7	-62.5	-62.5	0.44	0.00	-42.60
5,629.0	0.90	185.60	5,628.4	-5.9	-62.4	-62.4	0.42	0.31	21.98
5,723.0	1.50	173.10	5,722.4	-7.8	-62.4	-62.4	0.69	0.64	-13.30
5,815.0	1.30	168.00	5,814.4	-10.1	-62.0	-62.0	0.26	-0.22	-5.54
5,911.0	1.50	173.60	5,910.3	-12.4	-61.6	-61.6	0.25	0.21	5.83
6,006.0	1.60	157.40	6,005.3	-14.8	-61.0	-61.0	0.47	0.11	-17.05
6,041.0	1.70	150.20	6,040.3	-15.7	-60.5	-60.5	0.66	0.29	-20.57
6,149.0	1.80	150.10	6,148.2	-18.6	-58.9	-58.9	0.09	0.09	-0.09
6,181.0	1.50	149.90	6,180.2	-19.4	-58.4	-58.4	0.94	-0.94	-0.62
6,213.0	1.90	126.70	6,212.2	-20.1	-57.8	-57.8	2.46	1.25	-72.50
6,244.0	2.70	105.30	6,243.2	-20.6	-56.7	-56.7	3.74	2.58	-69.03
6,276.0	2.70	108.50	6,275.2	-21.0	-55.2	-55.2	0.47	0.00	10.00
6,308.0	2.60	111.90	6,307.1	-21.5	-53.8	-53.8	0.58	-0.31	10.62
6,339.0	3.00	109.40	6,338.1	-22.1	-52.4	-52.4	1.35	1.29	-8.06
6,371.0	3.20	109.60	6,370.0	-22.6	-50.8	-50.8	0.63	0.62	0.62
6,403.0	3.20	109.60	6,402.0	-23.2	-49.1	-49.1	0.00	0.00	0.00
6,435.0	3.00	111.00	6,433.9	-23.8	-47.5	-47.5	0.67	-0.62	4.37
6,466.0	3.50	102.00	6,464.9	-24.3	-45.8	-45.8	2.30	1.61	-29.03
6,497.0	3.60	103.00	6,495.8	-24.7	-43.9	-43.9	0.38	0.32	3.23
6,528.0	3.40	106.70	6,526.8	-25.2	-42.1	-42.1	0.97	-0.65	11.94
6,560.0	3.70	105.80	6,558.7	-25.8	-40.2	-40.2	0.95	0.94	-2.81
6,592.0	3.70	106.80	6,590.6	-26.3	-38.2	-38.2	0.20	0.00	3.12
6,623.0	3.80	103.60	6,621.6	-26.9	-36.3	-36.3	0.75	0.32	-10.32
6,655.0	3.50	102.30	6,653.5	-27.3	-34.3	-34.3	0.97	-0.94	-4.06
6,686.0	3.30	103.10	6,684.5	-27.7	-32.5	-32.5	0.66	-0.65	2.58
6,718.0	3.80	96.60	6,716.4	-28.1	-30.5	-30.5	2.00	1.56	-20.31
6,750.0	3.60	96.10	6,748.3	-28.3	-28.5	-28.5	0.63	-0.62	-1.56
6,782.0	4.50	86.10	6,780.3	-28.3	-26.2	-26.2	3.57	2.81	-31.25
6,814.0	4.20	83.10	6,812.2	-28.1	-23.8	-23.8	1.18	-0.94	-9.37
6,846.0	5.00	78.10	6,844.1	-27.7	-21.3	-21.3	2.79	2.50	-15.62
6,878.0	4.80	76.50	6,875.9	-27.1	-18.6	-18.6	0.76	-0.62	-5.00

Nevis

Survey Report

Company: Royale Energy, Inc.
Project: Grand County, Utah
Site: Ten Mile Canyon #22-1
Well: Ten Mile Canyon #22-1
Wellbore: Original Hole
Design: Original Hole

Local Co-ordinate Reference: Well Ten Mile Canyon #22-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
6,910.0	5.40	75.10	6,907.8	-26.4	-15.9	-15.9	1.91	1.87	-4.37
6,942.0	4.80	74.20	6,939.7	-25.6	-13.1	-13.1	1.89	-1.87	-2.81
6,973.0	5.40	75.00	6,970.6	-24.9	-10.5	-10.5	1.95	1.94	2.58
7,004.0	5.00	75.20	7,001.4	-24.2	-7.8	-7.8	1.29	-1.29	0.65
7,036.0	4.90	73.40	7,033.3	-23.4	-5.1	-5.1	0.58	-0.31	-5.62
7,067.0	4.40	71.60	7,064.2	-22.7	-2.7	-2.7	1.68	-1.61	-5.81
7,098.0	3.60	73.30	7,095.1	-22.0	-0.6	-0.6	2.61	-2.58	5.48
7,130.0	4.90	73.30	7,127.1	-21.3	1.6	1.6	4.06	4.06	0.00
7,162.0	5.00	73.00	7,158.9	-20.5	4.3	4.3	0.32	0.31	-0.94
7,194.0	6.00	72.10	7,190.8	-19.6	7.2	7.2	3.14	3.12	-2.81
7,226.0	5.60	72.90	7,222.6	-18.6	10.3	10.3	1.28	-1.25	2.50
7,258.0	4.90	73.60	7,254.5	-17.8	13.1	13.1	2.20	-2.19	2.19
7,288.0	4.70	73.80	7,284.4	-17.1	15.5	15.5	0.67	-0.67	0.67
7,320.0	4.40	73.50	7,316.3	-16.4	17.9	17.9	0.94	-0.94	-0.94
7,351.0	4.50	72.20	7,347.2	-15.7	20.2	20.2	0.46	0.32	-4.19
7,383.0	4.40	71.40	7,379.1	-14.9	22.6	22.6	0.37	-0.31	-2.50
7,414.0	5.10	70.10	7,410.0	-14.0	25.0	25.0	2.28	2.26	-4.19
7,446.0	4.80	68.80	7,441.9	-13.1	27.6	27.6	1.00	-0.94	-4.06
7,478.0	4.10	68.50	7,473.8	-12.2	29.9	29.9	2.19	-2.19	-0.94
7,510.0	3.60	68.40	7,505.7	-11.4	31.9	31.9	1.56	-1.56	-0.31
7,542.0	3.80	72.90	7,537.6	-10.7	33.9	33.9	1.10	0.62	14.06
7,574.0	4.10	73.50	7,569.6	-10.1	36.0	36.0	0.95	0.94	1.87
7,606.0	4.00	73.50	7,601.5	-9.4	38.1	38.1	0.31	-0.31	0.00
7,637.0	3.40	75.40	7,632.4	-8.9	40.1	40.1	1.98	-1.94	6.13
7,700.0	2.40	80.90	7,695.3	-8.2	43.2	43.2	1.65	-1.59	8.73
7,764.0	1.60	98.50	7,759.3	-8.1	45.4	45.4	1.56	-1.25	27.50
7,826.0	1.80	104.10	7,821.3	-8.5	47.2	47.2	0.42	0.32	9.03
7,858.0	1.80	108.00	7,853.2	-8.8	48.1	48.1	0.38	0.00	12.19
7,889.0	1.70	115.60	7,884.2	-9.1	49.0	49.0	0.81	-0.32	24.52
7,921.0	1.70	123.10	7,916.2	-9.6	49.9	49.9	0.69	0.00	23.44
7,952.0	1.50	127.10	7,947.2	-10.1	50.6	50.6	0.74	-0.65	12.90
7,984.0	1.20	135.30	7,979.2	-10.6	51.1	51.1	1.11	-0.94	25.62
8,004.8	1.05	146.97	8,000.0	-10.9	51.4	51.4	1.31	-0.71	56.09
Vertical @ 8000' tvd									
8,015.0	1.00	153.80	8,010.2	-11.0	51.5	51.5	1.31	-0.52	67.00
8,047.0	1.00	167.40	8,042.2	-11.6	51.7	51.7	0.74	0.00	42.50
8,079.0	0.70	155.70	8,074.2	-12.0	51.8	51.8	1.08	-0.94	-36.56
8,142.0	0.70	166.40	8,137.2	-12.7	52.1	52.1	0.21	0.00	16.98
8,205.0	0.90	174.00	8,200.2	-13.6	52.2	52.2	0.36	0.32	12.06
8,268.0	1.00	177.00	8,263.2	-14.6	52.3	52.3	0.18	0.16	4.76
8,331.0	1.20	186.90	8,326.2	-15.8	52.2	52.2	0.44	0.32	15.71
8,426.0	1.30	193.70	8,421.1	-17.9	51.8	51.8	0.19	0.11	7.16
8,490.0	1.40	196.60	8,485.1	-19.3	51.5	51.5	0.19	0.16	4.53
8,584.0	1.50	201.60	8,579.1	-21.6	50.7	50.7	0.17	0.11	5.32
8,647.0	0.30	288.20	8,642.1	-22.3	50.2	50.2	2.40	-1.90	137.46
8,743.0	0.80	250.50	8,738.1	-22.4	49.3	49.3	0.62	0.52	-39.27
8,838.0	0.40	295.80	8,833.1	-22.5	48.4	48.4	0.62	-0.42	47.68
8,933.0	1.00	242.00	8,928.1	-22.8	47.4	47.4	0.87	0.63	-56.63
8,965.0	0.90	234.80	8,960.1	-23.0	46.9	46.9	0.49	-0.31	-22.50
9,028.0	0.50	270.30	9,023.0	-23.3	46.3	46.3	0.91	-0.63	56.35
9,091.0	0.60	271.30	9,086.0	-23.3	45.7	45.7	0.16	0.16	1.59
9,154.0	0.30	31.50	9,149.0	-23.2	45.4	45.4	1.26	-0.48	190.79
9,218.0	2.90	39.00	9,213.0	-21.8	46.5	46.5	4.07	4.06	11.72
9,282.0	2.20	41.80	9,276.9	-19.6	48.4	48.4	1.11	-1.09	4.37

Nevis

Survey Report

Company: Royale Energy, Inc.
Project: Grand County, Utah
Site: Ten Mile Canyon #22-1
Well: Ten Mile Canyon #22-1
Wellbore: Original Hole
Design: Original Hole

Local Co-ordinate Reference: Well Ten Mile Canyon #22-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
9,345.0	1.90	38.10	9,339.9	-17.9	49.8	49.8	0.52	-0.48	-5.87
9,409.0	1.70	42.20	9,403.9	-16.3	51.1	51.1	0.37	-0.31	6.41
9,472.0	1.60	47.30	9,466.9	-15.0	52.4	52.4	0.28	-0.16	8.10
9,535.0	1.40	54.20	9,529.8	-14.0	53.6	53.6	0.43	-0.32	10.95
9,598.0	1.50	61.90	9,592.8	-13.1	55.0	55.0	0.35	0.16	12.22
9,661.0	1.40	69.80	9,655.8	-12.5	56.4	56.4	0.35	-0.16	12.54
9,724.0	1.30	45.90	9,718.8	-11.7	57.7	57.7	0.90	-0.16	-37.94
9,788.0	1.40	40.00	9,782.8	-10.6	58.7	58.7	0.27	0.16	-9.22
9,851.0	1.00	52.80	9,845.7	-9.7	59.6	59.6	0.76	-0.63	20.32
9,915.0	1.10	39.70	9,909.7	-8.9	60.5	60.5	0.41	0.16	-20.47
9,978.0	0.90	50.40	9,972.7	-8.1	61.2	61.2	0.43	-0.32	16.98
10,041.0	0.70	40.90	10,035.7	-7.5	61.9	61.9	0.38	-0.32	-15.08
10,104.0	0.80	15.00	10,098.7	-6.8	62.2	62.2	0.56	0.16	-41.11
10,275.0	0.40	348.00	10,269.7	-5.1	62.4	62.4	0.28	-0.23	-15.79
10,370.0	0.50	139.60	10,364.7	-5.0	62.6	62.6	0.92	0.11	159.58
10,431.0	0.50	75.50	10,425.7	-5.2	63.1	63.1	0.87	0.00	-105.08
10,492.0	0.80	158.70	10,486.7	-5.5	63.5	63.5	1.46	0.49	136.39
10,555.0	0.70	121.40	10,549.7	-6.1	64.0	64.0	0.78	-0.16	-59.21
10,617.0	0.80	162.40	10,611.7	-6.7	64.4	64.4	0.86	0.16	66.13
10,679.0	0.50	189.50	10,673.7	-7.4	64.5	64.5	0.68	-0.48	43.71
10,732.0	0.50	108.50	10,726.7	-7.7	64.7	64.7	1.23	0.00	-152.83
10,793.0	0.50	108.50	10,787.7	-7.9	65.2	65.2	0.00	0.00	0.00

Projection @ 10793'

Targets

Target Name

- hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Vertical @ 8000' tvd	0.00	0.00	8,000.0	0.0	75.0	2,946,473.92	2,182,659.95	39° 23' 57.390 N	109° 34' 55.205 W
- survey misses by 26.0ft at 8004.8ft MD (8000.0 TVD, -10.9 N, 51.4 E)									
- Point									
PBHL	0.00	0.00	11,160.0	0.0	75.0	2,946,473.92	2,182,659.95	39° 23' 57.390 N	109° 34' 55.205 W
- survey misses by 372.5ft at 10793.0ft MD (10787.7 TVD, -7.9 N, 65.2 E)									
- Ellipse (radii L-150.0 W75.0 on 90.00 azi)									

Survey Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates	Comment
		+N/-S (ft)	+E/-W (ft)
10,793.0	10,787.7	-7.9	65.2
			Projection @ 10793'

Checked By: _____ Approved By: _____ Date: _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML - 46542
2. NAME OF OPERATOR: Royale Energy, Inc		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		7. UNIT or CA AGREEMENT NAME: Moon Canyon
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FEL & 1893' FSL		8. WELL NAME and NUMBER: Ten Mile Canyon 22-1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 22 16S 21E		9. API NUMBER: 4301931526
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well is currently uneconomic to produce. As of April 17, 2009 this well has been temporarily shut in due to the current gas prices.

NAME (PLEASE PRINT) <u>Mohamed Abdel-Rahman</u>	TITLE <u>VP of Exploration</u>
SIGNATURE <u><i>Mohamed P. Abdel-Rahman</i></u>	DATE <u>5/18/09</u>

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

(See Instructions on Reverse Side)

RECEIVED

MAY 21 2009

DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 16, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 8071

Mr. Mohamed Abdel-Rahman
Royale Energy, Inc.
7676 Hazard Center, Suite 1500
San Diego, CA 92108

43 019 31526
Ten Mile Cyn 22-1
16S 21E 22

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Abdel-Rahman:

As of January 2011, Royale Energy, Inc. (Royale) has four (4) State Lease Wells (see Attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. One of the above listed wells (Attachment A) is past due on approved SI/TA extension, which ended September 1, 2009. Royale has not submitted necessary data with good reason for further extension on said well. Please submit the necessary data as outlined below to bring wells into compliance.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT



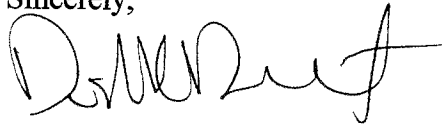
Page 2
Royale Energy, Inc.
March 16, 2011

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
1ST NOTICE				
1	TRAIL CYN 1-2	43-019-31532	ML-47218	3 Years 5 Months
2	TRAIL CYN 1-3	43-019-31603	ML-47218	2 Years 2 Months
→ 3	TEN MILE CYN 22-1	43-019-31526	ML-46542	1 Year 9 Months
PAST DUE SI/TA EXTENSION as of 9/1/2009				
4	MOON CANYON 1	43-019-31398	ML-48391	5 Years 5 Months

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46542			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: ROYALE ENERGY, INC.		7. UNIT or CA AGREEMENT NAME: MOON CANYON			
3. ADDRESS OF OPERATOR: 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108		8. WELL NAME and NUMBER: TEN MILE CYN 22-1			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1893 FSL 0830 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 22 Township: 16.0S Range: 21.0E Meridian: S		9. API NUMBER: 43019315260000			
PHONE NUMBER: 619 881-2800 Ext		9. FIELD and POOL or WILDCAT: UNDESIGNATED			
COUNTY: GRAND		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/20/2011 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. This well is currently shut-in due to winter access limitations and Royale Energy's ongoing evaluation of behind-pipe potential in the well. Royale is currently evaluating additional zones for hydraulic fracturing, such as the Buckhorn and Castlegate. Additionally, we are studying the Lower Mancos Shale as an unconventional gas resource. Over the next 12 months we anticipate completing these evaluations and reinitiating the development of the field. Ten Mile Canyon 22-1 was observed to have a fluid level at 4179 feet, with 2300psig/1950psig, tubing/casing pressures on 4/20/11. The downhole well and other mechanical equipment are all in good condition, and there are no risks to public health or the safety of the environment.					
<div style="text-align: right;"> REQUEST DENIED Utah Division of Oil, Gas and Mining Date: 08/03/2011 By: </div>					
NAME (PLEASE PRINT) Rachele Wolchko	PHONE NUMBER 619 881-2874	TITLE Executive Assistant			
SIGNATURE N/A	DATE 4/26/2011				

Please Review Attached Reasons for Denial

RECEIVED

Apr. 26, 2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43019315260000

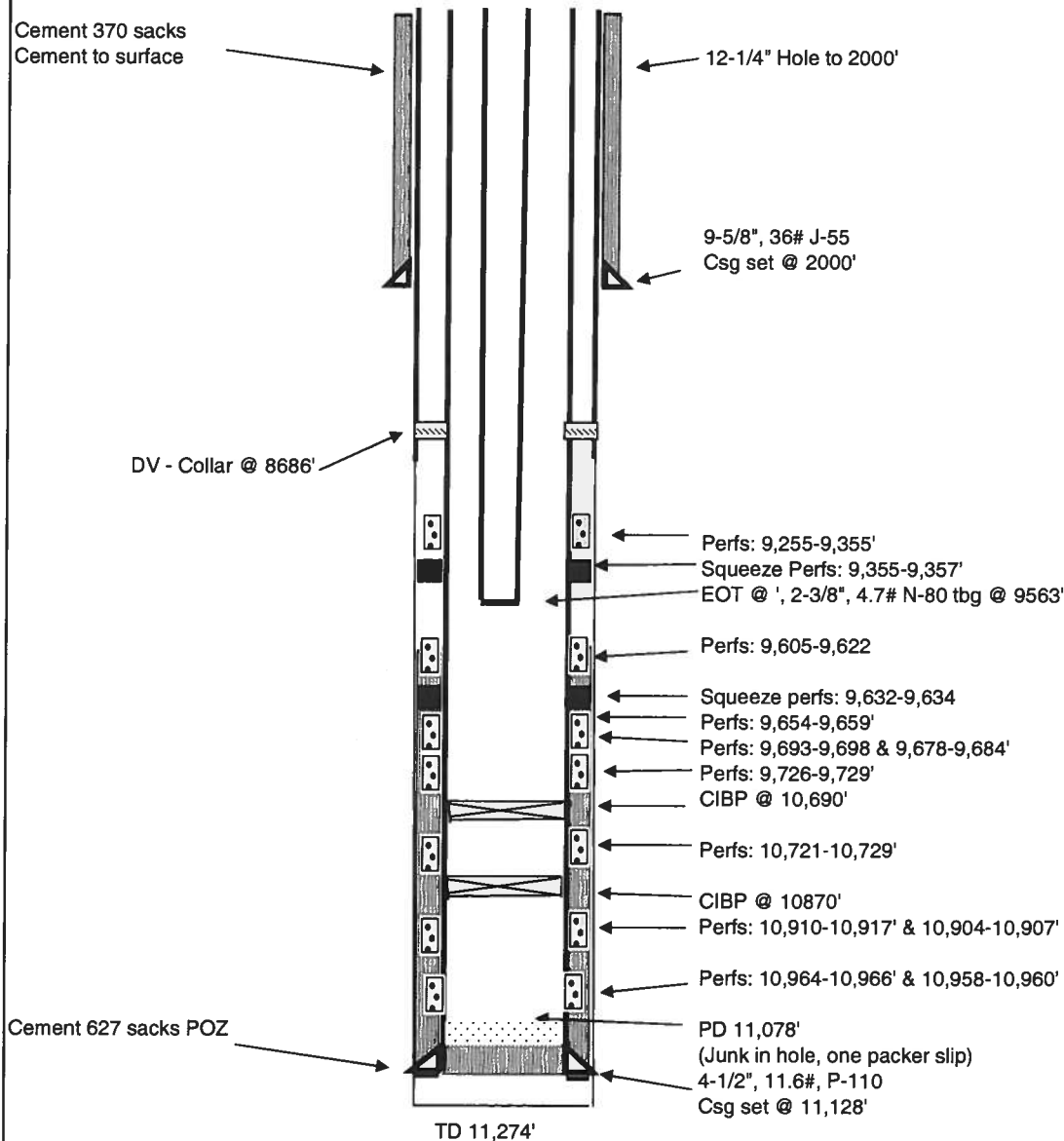
An explanation of the supplied data was not given supporting how the information shows the well has integrity.

Input Data (Provided By Operator)						Output Data						Data Comparative	
Sfc Csg Depth	Sfc Csg Psi	Prod Csg Psi	Tbg Psi	Fluid Level	Depth (Csg, Perf or Plug back)	Water Column Dx	Gas Head Psi	Water Head Psi	Normal Press @ Sfc Shoe	Formation Frac @ Sfc Shoe	Reservoir Pressure Total	Calc Press @ Sfc Shoe	Normal Reservoir Psi for Depth
2000	0	1950	2300	4178	9255 <i>@ TCRF</i>	5077	418	2198	866	1,400	4566	2,150	4,007
Packer	No												
Fluid Gradient psi/ft	0.433												
Gas Gradient psi/ft	0.1												
Frac Gradient psi/ft	0.7												
SCENARIOS													
#1	SFC CSG = 0 PSI MEANS NO COMMUNICATION, REASSURING INTEGRITY					Indicates Integrity?		Yes					
#2	If measured reservoir psi is equal to normal gradient reservoir pressure, well probably has integrity. If pressure is less, well could lack integrity explained by pressure bleeding into a shallower formation.						No						
#3	If calculated pressure is less than normal pressure at the surface shoe, then fluid is probably not moving into the formation.						No						
#4	If packer is in the hole, with psi on tbg and no psi on prod csg, this indicates tbg and packer integrity.						NA						

Royale Energy Inc.

Tenmile Canyon 22-1

Date : 4/8/2011	Perforations			Casing			
Lease :	Date	To	From	Size	Weight	Grade	Depth
Field : Undesignated	10/8/2007	10,964	10,966	9-5/8"	36#	J-55	2000'
KB : 7,904 (25')	10/8/2007	10,958	10,960	7"	23#	N-80	6085'
Legals : Sec. 22 T16S R21E	10/8/2007	10,910	10,917	4-1/2"	11.6#	P-110	11127'
Directions to Location :	10/8/2007	10,904	10,907				
	10/15/2007	10,721	10,729	Tubulars			
	10/24/2007	9,726	9,729	Size	Weight	Grade	Depth
	10/24/2007	9,693	9,698	2-3/8"	4.7#	N-80	9563'
	10/24/2007	9,678	9,684				
	10/24/2007	9,654	9,659				
	9/18/2008	9,605	9,622				
	10/24/2008	9,255	9,355				



Apr. 26, 2011

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: ROYALE ENERGY INC.

Well(s) or Site(s): 1.) MOON CANYON 1 API #: 43-019-31398

2.) TRAIL CYN 1-2 43-019-31532

3.) TAILE CYN 1-3 43-019-31603

4.) TEN MILE CYN 22-1 43-019-31526 ←

Date and Time of Inspection/Violation: September 21, 2012

Mailing Address: Attn: Mohamed Abdel-Rahman

7676 Hazard Center, Suite 1500

San Diego, CA 92108

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Royale Energy Inc. (Royale) requesting required documents and action per R649-3-36. Royale has seven (7) wells located in Utah, all of which are currently shut in. Four (4) of the seven (7) have never produced. The above listed wells appear to be uneconomical based on production history or lack thereof. This causes concern considering these wells have been shut in for a period ranging from over three (3) to seven (7) years.

All of the above listed wells have previously been noticed as being in non-compliant SI/TA status. The most recent notice was sent out March 16, 2011. Royale responded on April 26, 2011, with a request for SI/TA extension for wells 2 – 4. This request was denied by the Division on August 3, 2011, due to insufficient data submitted by Royale. Well #1 had a first notice of non-compliance sent out via certified mail on March 3, 2005, to Royale. On March 13, 2005, Royale requested an extension in order to perform workover on this well. The Division approved this request on March 17, 2005, that expired on October 1, 2005. The well was deepened, yet never produced. A second notice of non-compliance was sent to Royale on September 2, 2008. Royale responded on September 15, 2008, with a request for extension based on intent to recomplete the well. This was approved by the Division on October 6, 2008, that expired on September 1, 2009. Royale submitted another extension request on November 24, 2009, to allow time for plug back to a depth to be used to kick off for drilling a future deviated well. The Division approved this request on December 1, 2009 that expired on June 1, 2010.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

To date our records indicate that no further work has been accomplished as planned or required documentation submitted by Royale to move these wells into compliance.

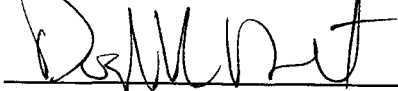
Action: For the wells subject to this notice, Royale Energy Inc. shall either submit the information required by R649-3-36, plug and abandon or place these wells on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: November 5, 2012

Date of Service Mailing: October 10, 2012

CERTIFIED MAIL NO: 7011 0110 0001 3568 2400



Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File

Well Files

6/2005

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46542
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: ROYALE ENERGY, INC.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108		8. WELL NAME and NUMBER: TEN MILE CYN 22-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1893 FSL 0830 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 22 Township: 16.0S Range: 21.0E Meridian: S		9. API NUMBER: 43019315260000
PHONE NUMBER: 619 881-2800 Ext		9. FIELD and POOL or WILDCAT: MOON RIDGE
COUNTY: GRAND		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/27/2012	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Tenmile Canyon 22-1 resumed Production on October 27, 2012		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY December 05, 2012		
NAME (PLEASE PRINT) Rachele Wolchko	PHONE NUMBER 619 881-2874	TITLE Executive Assistant
SIGNATURE N/A	DATE 12/3/2012	

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

2/1/2013

FROM: (Old Operator): N2465- Royale Energy Inc. 7676 Hazard Center Drive San Diego, CA 92108 Phone: 1 (619) 881-2800	TO: (New Operator): N8060- National Fuel Corporation 8400 East Prentice Ave, Suite 735 Denver, CO.80111 Phone: 1 (303) 996-6774
---	---

CA No.				Unit:	N/A			
WELL NAME	SEC TWN RNG			API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
MOON CYN # 2	9	160S	210E	4301931405	14434	Federal	GW	P
TEN MILE CYN 22-1	22	160S	210E	4301931526	16245	State	GW	P
V CYN 20-1	20	150S	210E	4304738968	16331	Federal	GW	P
V CANYON 20-2	20	150S	210E	4304740349	17117	Federal	GW	S

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/13/2013
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/13/2013
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/29/2013
- 4a. Is the new operator registered in the State of Utah: Business Number: 1260477-0143
- 5a. (R649-9-2) Waste Management Plan has been received on: Yes
- 5b. Inspections of LA PA state/fee well sites complete on: N/A
- 5c. Reports current for Production/Disposition & Sundries on: 3/29/2013
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 3/29/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 3/29/2013
- Bond information entered in RBDMS on: 3/29/2013
- Fee/State wells attached to bond in RBDMS on: 3/29/2013
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000186
- Indian well(s) covered by Bond Number: N/A
- 3a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number LPM8756586
- 3b. The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

National Fuel Corporation-Did not accept
 Moon Cyn 1 4301931398
 Trial Cyn 1-2 and 1-3 will be moved when
 bonds are received

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

Royale Energy, Inc.

N24165

3. ADDRESS OF OPERATOR:

7676 Hazard Center Drive S

CITY San Diego

STATE CA

ZIP 92108

PHONE NUMBER:

(619) 881-2800

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 2/1/2013	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective February 1, 2013, National Fuel Corporation (DOGM entity N8060) succeeded Royale Energy, Inc. as operator of all wells on the attached list and is responsible under the terms and conditions of the lease for the operations conducted upon the leased land. National Fuel Corporation is principal to the Statewide Utah Bond #~~LP4021517~~ LPM8756586
BLM: UTB000186

RECEIVED

MAR 13 2013

DIV. OF OIL, GAS & MINING

Diane Thompson
National Fuel Corporation

NATIONAL FUEL CORPORATION
Diane Thompson
President

N8060

NAME (PLEASE PRINT) Stephen Hosmer

TITLE CFO/Co-President/Co-CEO

SIGNATURE

DATE 2/21/2013

(This space for State use only)

APPROVED

MAR 29 2013

DIV. OIL GAS & MINING

(5/2000)

(See Instructions on Reverse Side)

Rachael Medina

SCHEDULE OF PROPERTIES
EFFECTIVE FEBRUARY 1, 2013

API No.	Lease No.	CA No.	Well Name	CA Description	Legal Description	County
4301931398	ML-48391A		Moon Canyon #1		T16S-R21E-Sec 32-NWSW	Grand
4301931405	UTU-52471	UTU-88962	Moon Canyon #2 ✓	SE Sec. 9; T16S-R21E	T16S-R21E-Sec 9-NESE	Grand
4301931526	ML-46542		Ten Mile Canyon #22-1 ✓		T16S-R21E-Sec 22-NESE	Grand
4304738968	UTU-78023		V Canyon 20-1 ✓		T15S-R21E-Sec 20-NENW	Utah
4301931532	ML-47218		Trail Canyon 1-2 ✓		T16S-R21E-Sec 1-SWNE	Grand
4304740349	UTU-78023		V Canyon 20-2 ✓		T15S-R21E-Sec 20-NENW (surface)	Utah
4301931603	ML-47218		Trail Canyon 1-3 ✓		T16S-R21E-Sec 1-SESE	Grand

ROYALE ENERGY, INC.



RECEIVED
MAR 13 2013
DIV. OF OIL, GAS & MINING

February 21, 2013

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RE: Operator Change – Royale Energy, Inc. to National Fuel Corporation

Royale Energy, Inc., the operator of wells located in Grand and Uintah Counties requests that the designation operator of all wells to be change to National Fuel Corporation effective February 1, 2013. Enclosed for approval is the Sundry Notice regarding the leases.

National Fuel Corporation is principal to its Surety Bond #LPM4021517; BLM Bond #UTB000186 which previously have been provided to the Salt Lake City office. The Resignation of Unit Operator and Designation of Successor Operator will also be provided accordingly.

Please advise if any additional information or documentation is required.

Sincerely,

Stephen Hosmer
CFO/Co-President/Co-CEO
Royale Energy, Inc.



STATE OF UTAH - PUBLIC AFFAIRS

Fwd: NFC PLAN FOR ML-49381-A (MOON CYN. #1); ROYALE ENERGY, INC. RESIGNATION/DESIGNATION OF NFC AS OPERATOR

Dustin Doucet <dustindoucet@utah.gov>
To: Rachel Medina <rachelmedina@utah.gov>

Thu, Mar 14, 2013 at 3:08 PM

Got your message on National Fuel. Based on the following email from NFC, I didn't think they were transferring the Moon Cyn #1 well. Probably need to check into this as NFC states Royalite is responsible for plugging. Wouldn't think we would change operator on it and would keep bond attached to well at a minimum. Take a look and let me know what you think.

----- Forwarded message -----

From: **Diane Thompson** <dthompson@national-fuel.com>
Date: Fri, Mar 8, 2013 at 2:54 PM
Subject: RE: NFC PLAN FOR ML-49381-A (MOON CYN. #1); ROYALE ENERGY, INC. RESIGNATION/DESIGNATION OF NFC AS OPERATOR
To: lavonnegarrison@utah.gov, Dustin Doucet <DUSTINDOUCET@utah.gov>

Dear LaVonne and Dustin,

This is to inform you that based on our review of the well log described in my message to you dated 8 February (below), NFC has decided **not** to pursue an OBA on the subject lease.

On a related matter, this is to inform DOGM and SITLA that pursuant to a Settlement Agreement reached on NFC's operator removal lawsuit against Royale Energy, Inc., NFC received various documents in which effective February 1, 2013, Royale Energy resigned as Operator of wells in the now-terminated Moon Canyon Unit and designated NFC as Successor Operator. Early next week, NFC will submit these documents to DOGM and BLM for review and approval. We are aware that Royale recently filed a Sundry Notice with DOGM for plugging and abandoning the Moon Canyon #1 ("P&A"). Since Moon Canyon #1 was an Earning Well in which NFC has no interest as described in my e-mail dated 22 January (below), despite Royale's Resignation and Designation of NFC as Successor Operator, **Royale will continue to bear responsibility for P&A and all related activities for this well.**

Please let me know if you have further questions or concerns.

Thank you,

Diane Thompson

From: Diane Thompson
Sent: Friday, February 08, 2013 10:03 AM
To: 'lavonnegarrison@utah.gov'; 'Dustin Doucet'
Subject: RE: NFC PLAN FOR ML-49381-A (MOON CYN. #1)

Dear LaVonne and Dustin,

This is to follow up with you on NFC's January 22 e-mail plan, below, and subsequent discussions with SITLA

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 5

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: _____

LEASE NUMBER: UTU-52471, UTU-78023, ML-46542

RECEIVED

FEB 22 2013

DIV. OF OIL, GAS & MINING

and hereby designates

NAME: National Fuel Coporation

ADDRESS: 8400 East Prentice Avenue, Suite 1100

city Greenwood Village state CO zip 80111

as his (check one) agent ☐ / operator ☒, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

API: 43-019-31405 / Well Name: Moon Canyon 2
API: 43-019-31526 / Well Name: Tenmile Canyon 22-1
API: 43-019-31532 / Well Name: Trail Canyon 1-2
API: 43-019-31603 / Well Name: Trail Canyon 1-3
API: 43-047-38968 / Well Name: V Canyon 20-1
API: 43-047-40349 / Well Name: V Canyon 20-2

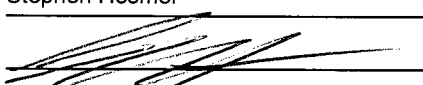
It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: February 1, 2013

BY: (Name) Stephen Hosmer

(Signature) 

(Title) CFO/Co-President/Co-CEO

(Phone) 619-881-2800

OF: (Company) Royale Energy, Inc.

(Address) 7676 Hazard Center Drive, Suite 1500

city San Diego

state CA zip 92108

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46542
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		8. WELL NAME and NUMBER: TEN MILE CYN 22-1
3. ADDRESS OF OPERATOR: 8400 E Prentice Avenue Suite 735, Greenwood Village, CO, 80111		9. API NUMBER: 43019315260000
PHONE NUMBER: 970 260-8128		9. FIELD and POOL or WILDCAT: MOON RIDGE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1893 FSL 0830 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 22 Township: 16.0S Range: 21.0E Meridian: S		COUNTY: GRAND
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 2/15/2014	<input checked="" type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text" value="Perforate"/>	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This Sundry Notice is being submitted for notification of National Fuel Corporations(NFC) intent to add perforations and stimulate in the Mancos formation at the Tenmile Canyon #22-1. See procedure below for your review and approval. 1. MIRU workover rig. 2. Blow down well. ND wellhead. NU BOP. 3. POOH and lay down tubing. 4. MIRU wireline. 5. RIH with WLS CBP and set at 8770'. 6. Fill hole with 3% KCL water and pressure test csg. 7. RIH with select fire perf guns and perforate 8410' to 8668' interval. 8. ND BOP. NU Frac tree. RDMO workover rig. 9. MIRU Frac crew. Frac well per frac design. RDMO Frac crew. 10. Flowback well until clean. 11. MIRU wireline. Set kill plug at 8390'. 12. MIRU workover rig. 13. ND frac tree. NU BOP. 14. RIH with bit and drill out kill plug at 8390' and plug at 8770'. 15. POOH with bit. RIH with tbq and land at 8530' 16. ND BOP. NU Wellhead. 17. Clean up well and put on line through production unit. 18. Test flow rates.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: January 16, 2014

By: Derek Duff

NAME (PLEASE PRINT) Andrew Busch	PHONE NUMBER 970 260-8128	TITLE VP Operations
SIGNATURE N/A		DATE 1/16/2014



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43019315260000

For permanent plugback of Dakota and Cedar Mountain formations, a 100' minimum cement plug shall be placed immediately above top perf in that interval (~9200' - 9100').